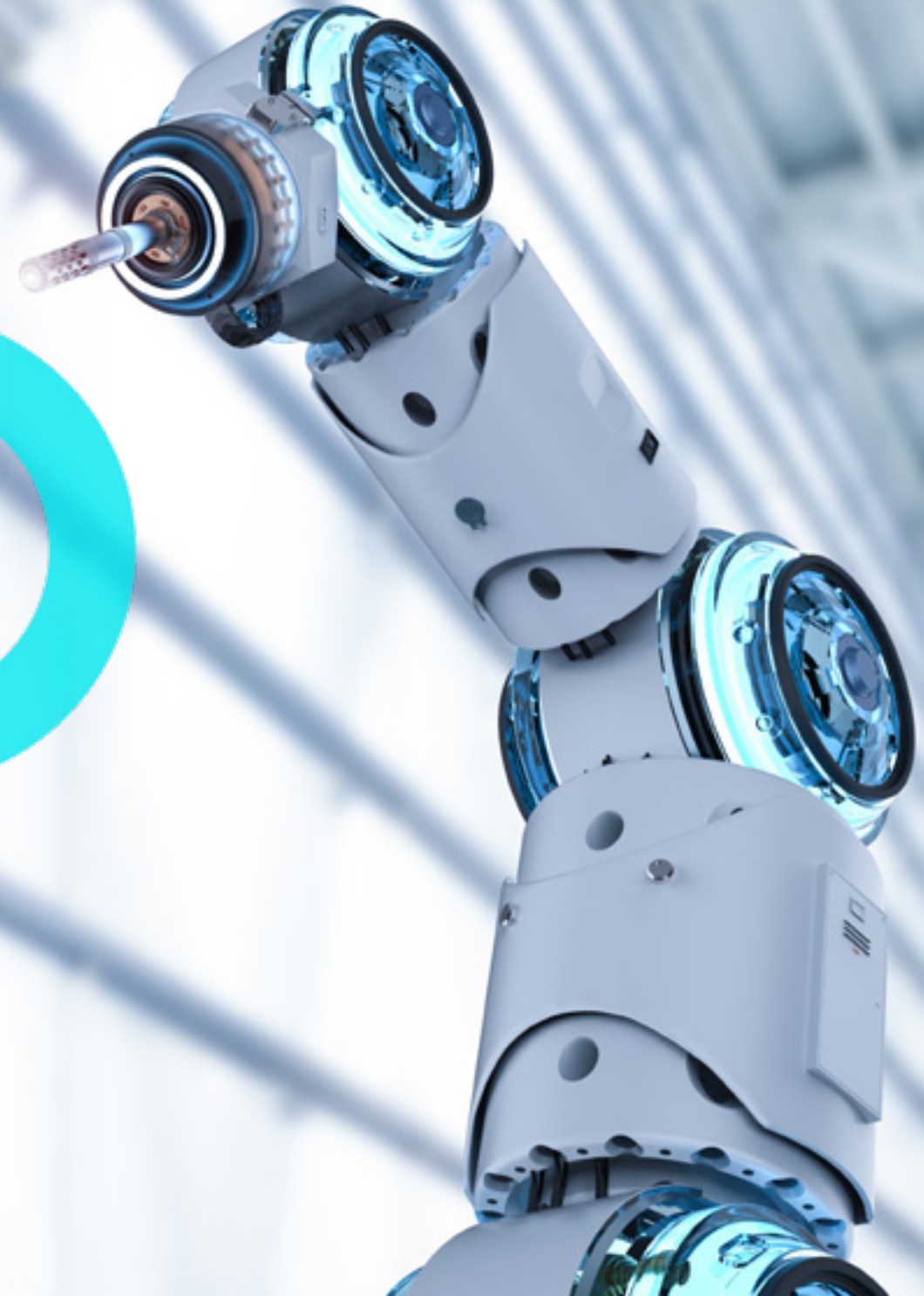


What technology do you need?

The Fujitsu guide to a successful
transformation in manufacturing
with SAP S/4HANA®.





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Making your journey easier

To help guide you on your best route to transformation, and to make it easier to take all the challenges in your stride, we have broken your prospective journey down into three parts.

- **Evolve phase** – assessing the business priorities and designing plans to meet them
- **Innovation phase** – introducing the new technologies you need to meet those business priorities
- **Empower phase** – taking advantage of the new capabilities available to your people

In this eBook, the second in the trilogy, we're looking at the technology you need to deliver on your agreed business priorities. Having come up with a plan, now is the time to put it into operation, so let's keep moving forward together.



Where do we start?

Manufacturing is a landscape of threats and opportunities. Barriers to entry for aggressive competitors are probably lower than they have ever been. The brutal reality is that radical disruption of new technologies or routes to market can quickly make decades of expertise, branding and process knowledge irrelevant and render market leaders obsolete.

Faced with potential knock-out blows from all sides, manufacturing strategists looking to 2030 and beyond must adopt a new way of thinking. They need to think and plan radically enough to ensure their enterprise can endure the shock waves of competition. The alternative is bleak: nobody aspires to be unsuccessful or fall behind the competition.



■ First, you need to find the right SAP technology partner

The fact that it can make such a difference to overall efficiency and performance raises some important questions for every organization currently using SAP software. Migrate now or wait to migrate later, for example?

It is important to get the timing and the approach of your migration right and, as an experienced SAP partner within this sector, Fujitsu can help you make the right decisions at the right time. And, just as importantly, we'll make sure you don't pay for anything you won't need.

We combine more than 80 years as a world-class manufacturer with experience working with manufacturing clients to develop and deliver SAP solutions and services which help our customers achieve results.

While assembling the right technologies to maximize the benefits of migration for your organization is a key part of the process, you need to remember that tools, in themselves, are neutral. It's what you do with them that counts.

That's why we'll work with you to apply solutions and technologies to build more intelligence into your business. Not just at the core, but at the edges too, where intelligence delivers frictionless service and the ability to see into the future.

We'll be looking at all kinds of enabling technologies, such as Blockchain and Distributed Ledger Technology (DLT). This can revolutionize the way that businesses transact with their customers and each other. By enhancing the speed, security, and flexibility at which enterprises transfer, store, and manage virtual goods, companies across a wide range of industry sectors can dramatically improve the efficiency and experience of their current processes with Blockchain.



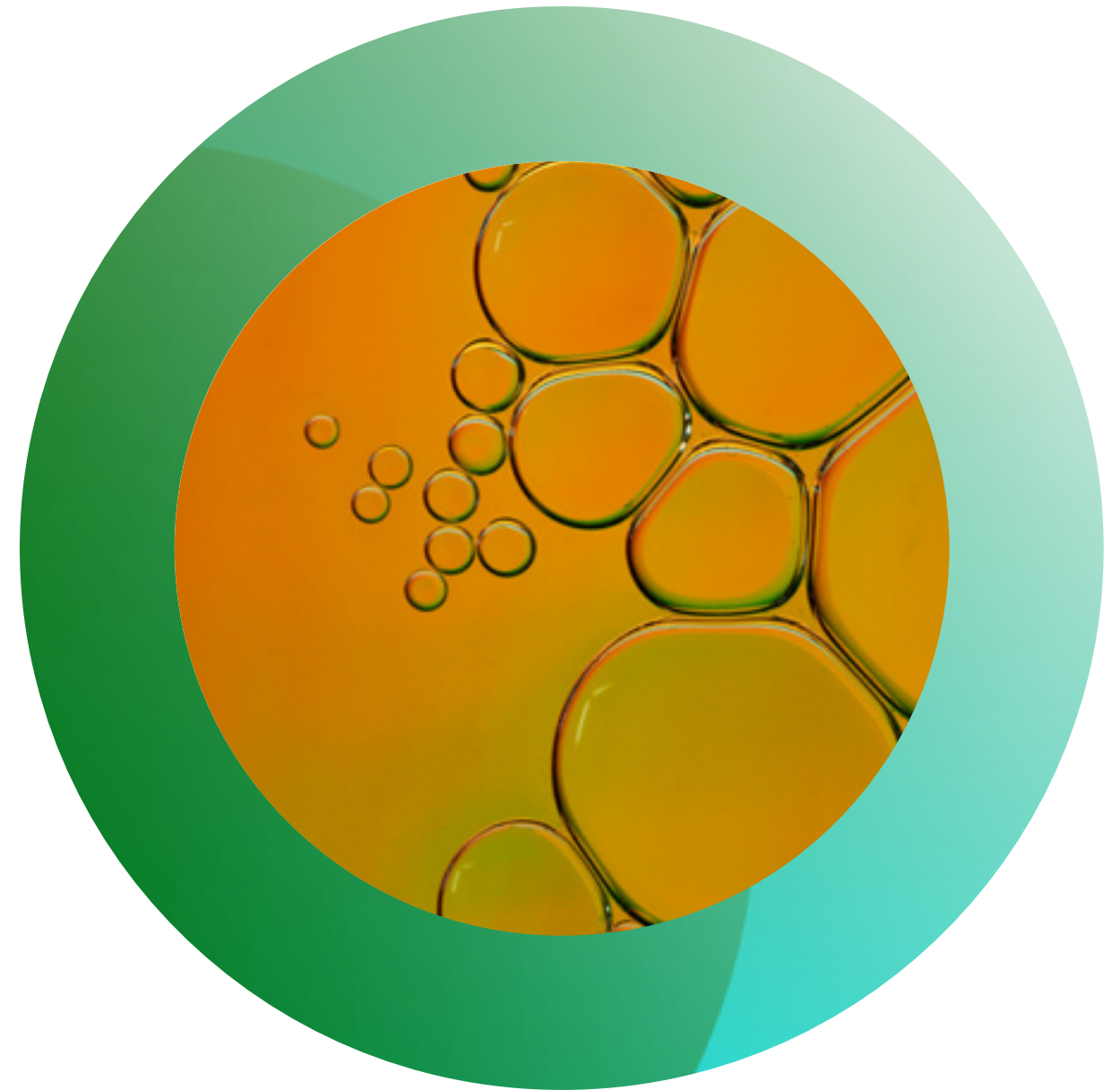
An opportunity to reshape your business

Embracing the business processes of the future requires more than simply investing in ERP applications to digitalize existing processes. Manufacturing organizations don't have to take advantage of the move to SAP S/4HANA to reinvent their business processes, but it would be a shame to miss out on this unique opportunity to do so.

This is a chance to reduce the number of steps and documents required to achieve the desired outcome while also increasing security and regulatory compliance.

There's much to do, but don't let this deter you. The rewards of S/4HANA migration far outweigh the risks, and avoiding the journey is simply not an option in today's highly competitive environment.

Quick answer: Rethinking your operations requires a methodical strategy with guidance from an experienced partner like Fujitsu. You need to understand where you are now in terms of your SAP ERP system, the core of your business, and where you want to be over the medium and long-term.



How will this fit into our overall digital transformation strategy?

Like all manufacturers, you're probably anxious to define your strategy, agree on which technologies you should adopt when, and how best to deploy them. Especially following the COVID-19 crisis – which has only added to the urgency of organizations taking their pre-existing transformation plans from the backburner and racing to either develop them or start all over again.

But, despite this global push we've seen to accelerate digital transformation plans, recent Fujitsu research has highlighted that seven out of ten organizations still lack a business-wide strategy. And even some of those organizations that have successfully developed their strategy are only executing part of it.

With so many uncertainties, and in the face of potential 'analysis paralysis', it can be hard to move forward with conviction. But, ultimately, this is a journey you must take. You don't need to worry – we've done this before and we're here to guide you every step of the way.



■ Digital is vital, transformation is necessary

Modernizing your core IT and ERP systems is fundamental to your day-to-day operations and your deeper resilience. The ultimate goal is to equip your business with the tools you need to stay ahead of change.

Future-proofing your systems and processes is never as easy as it sounds, unfortunately, but that is what you should be working towards. This means strengthening the core of your organization. It also means leveraging the power of digital to an even greater extent than you have been doing up until now. Empowering your people, among other things, to use all the data within your business to make better-informed business decisions faster.

Higher end customer expectations are driving innovation in manufacturing. From AI to 3D printing, digital twins to more open supply chains, new trends are taking hold. It's a big challenge for the industry. Manufacturers will have to change from being product-driven to being customer-driven.

■ Why partner with Fujitsu?

Consulting services from trusted advisors are key to helping you make the right decisions and strategic partnerships are vital for your success.

Forget the technologies for a moment – focus on what would make the right step-change for your organization. Once you have decided on that, allow an expert like Fujitsu to work on the technologies that will achieve those business priorities.

Not only do we have a wealth of experience guiding manufacturers on successful S/4HANA migrations, but Fujitsu has also been on its own migration journey before you. That gives us first-hand experience of overcoming all the challenges that are now in your way.

Making a difference for a leading aircraft manufacturer

One of Japan's leading aircraft manufacturers, Kawasaki Heavy Industries, Ltd, produces aircraft for the Ministry of Defense and for commercial airlines, such as Boeing. As part of its future-facing global strategy, the company has introduced SAP S/4HANA Manufacturing for Production Engineering and Operations with our help.

As a result, one key benefit is that all production information in the organization can be connected simply through data. This has led to huge performance efficiencies due to the shift to paperless work.

Quick answer: Digital transformation has become a term that's much over-used. Essentially, it's about doing business more effectively. There will be different benefits that result from your journey to S/4HANA and this is certainly one of the key ones.



Which is the best route to successful S/4HANA migration?

The cut-off time for your SAP upgrade is approaching. It might seem a long way away right now but, as the date approaches, resources to help with your transformation are likely to be in increasingly short supply as the demand for expert guidance builds.

Above all, we understand the business case is unique to each manufacturer, something not seen in previous SAP upgrades. There are various ways to migrate to S/4HANA. The approach largely depends on the customer's starting point.



Introducing the BLUEFIELD™ approach

Fujitsu and Schneider-Neureither & Partner SE (SNP) have signed a Platinum Partnership agreement and are combining to provide the BLUEFIELD™ approach, which is an unrivalled migration experience.

This partnership combines the digital transformation and SAP capabilities of Fujitsu – a strong global brand with expertise in manufacturing, retail, financial services, and other industries – with the unrivalled experience of the SNP Group – the world's leading provider of data transformation software in the SAP environment.

SNP will provide technical know-how of its BLUEFIELD™ approach to Fujitsu to perform S/4HANA conversion and data transformation projects. Fujitsu will also resell licenses of CrystalBridge®, the data transformation software platform of SNP, which consists of a wide range of modules that automate the analysis, data transition and tests.

Benefit from the CrystalBridge® data transformation software platform

CrystalBridge® builds on technical expertise accumulated over 26 years of SNP's data transformation business. Thanks to this platform, which conducts a full analysis of customers' systems and processes and then systematizes everything about the transition, conversions to SAP S/4HANA can be completed in as little as six months. That's 75% faster than the average conversion.

The BLUEFIELD™ approach acknowledges the vast importance of custom code but does not let it dominate. Is all that code going back to the 1990s or earlier really still needed? What about the one-off report demanded by the then-CFO for a compliance requirement that no longer exists? Or a routine for a subsidiary you sold off a decade ago? The answer will almost certainly be no, no, no.

BLUEFIELD™ scans all your code and the frequency of use, so you can take an intelligent, pragmatic decision on what is essential, what needs to be remediated, and what can be safely left behind. It allows you to isolate the code you need, port it into the cloud, and deal with it before moving it into the new system.

However, the BLUEFIELD™ approach will not be the right approach for every manufacturer and we can also support you with new implementation, the Greenfield approach, or a system conversion, known as the Brownfield approach.





Greenfield migration

Organizations looking at a Greenfield implementation are either new to SAP or are likely to have been running SAP for quite a while. A new S/4HANA implementation gives them an opportunity to rationalize their multiple versions of ERP into a coherent new whole, improving business efficiency and flexibility in the future. This approach involves creating an entirely new environment that requires an initial data load. The SAP S/4HANA system is implemented, and master and transactional data are migrated from the legacy system, so standard data migration tools and content have to be used.

Brownfield migration

Customers opting for the Brownfield migration approach are more likely to be recent adopters of SAP (within the last 5 years) and so can upgrade the structure they already have in place. This involves a complete conversion of an existing SAP Business Suite system to SAP S/4HANA. This scenario is technically based on Software Update Manager (SUM) with Database Migration Option (DMO) in case the customer is not yet on SAP HANA as the underlying database.

It's time to act

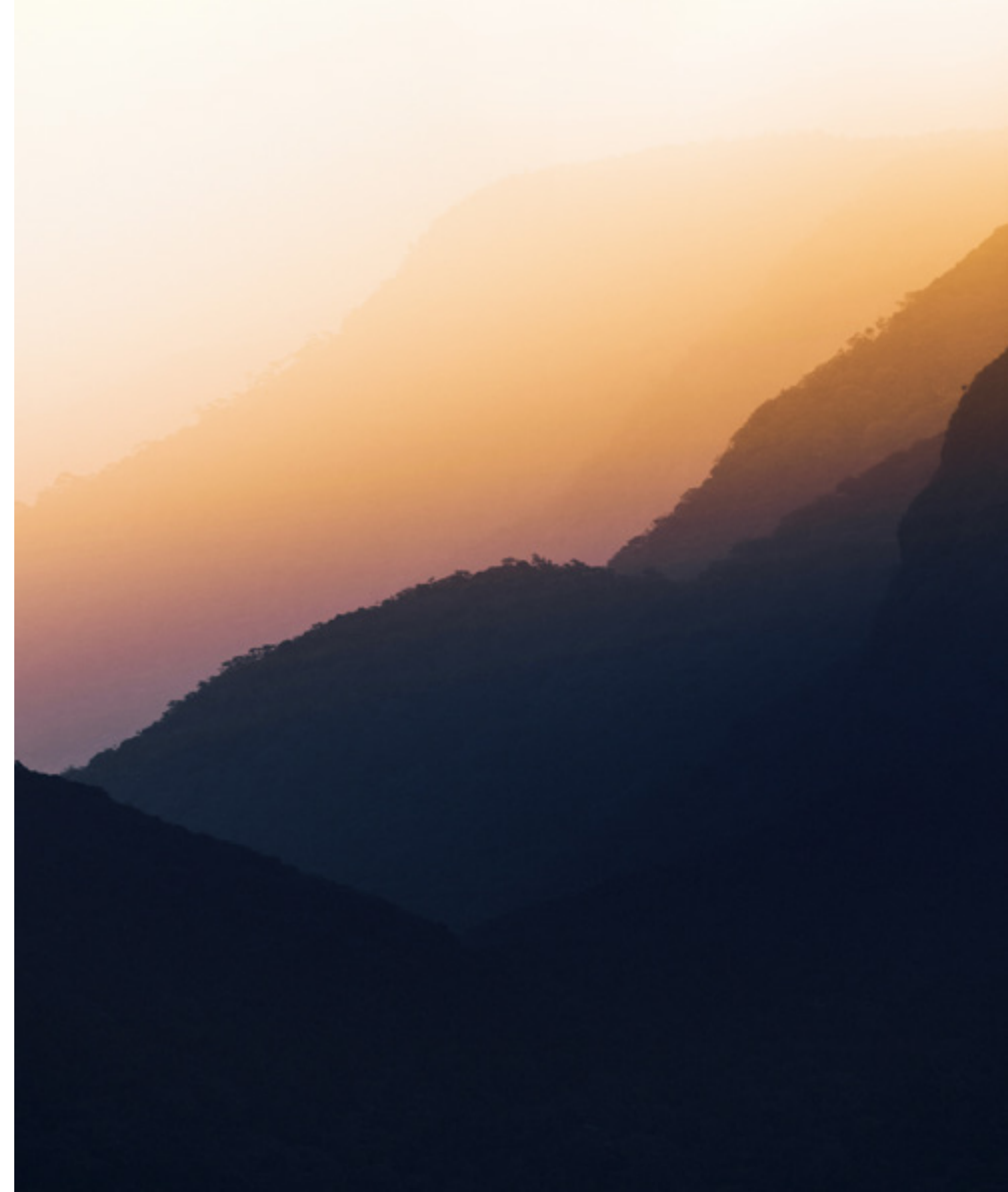
Whichever migration route is right for your organization, the point remains that outdated and complicated core systems often become a bottleneck for digital transformation. As the deadline for the maintenance cut-off for SAP ERP 6.0 approaches, existing SAP users are advised to start their move to the next-generation ERP platform to make the organization smarter.

That way, you will be able to take full advantage of advanced technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI).

So, the big questions are, what benefits can you expect to see, and when? In many cases, the value lies downstream in the digital technologies that S/4HANA will enable. You'll be more agile. You'll have less complexity to deal with. And you'll have a platform fit for ongoing innovation.

Deploying SAP on Azure, for instance, you enjoy all the benefits of a trusted, global hyperscale cloud for SAP workloads and the intelligence to turn business data into powerful insights.

This is all enabled by low cost 'always on' data archiving, low-cost disaster recovery, on-demand testing, development and production, advanced data analytics, and a hyperscale cloud for SAP with true global reach.



Why partner with Fujitsu?

The strength and diversity of Fujitsu's partnerships with other technology providers means we can assess every situation on its merits. That way we are free to recommend the migration solution that is perfectly suited to each different manufacturer.

Quick answer: Depending on what position your organization is starting its journey from, we would recommend one of three possible migration approaches: Bluefield™, Greenfield or Brownfield.



What can we expect from automating our processes?

With increased process automation, you can expect to achieve reduced costs, improved efficiency, and faster response times.

Automation could cover anything from product development to customer complaints. However, many organizations are unsure which processes best lend themselves to automation. They are also uncertain which are the best technologies to deploy and what impact the changes will have on their employees.



Increased automation is the way forward

It's worth mentioning that many processes have not changed in years and contain lots of manual, repetitive tasks. If you automate these, your people can then spend more time on value added tasks. Or, if you prefer, you can simply cut out the cost. Or you could do both.

Beyond this, there are now increasing competitive pressures with clients wanting services 'on demand' and this requirement can best be met by the adoption of new automated business models and processes.

Robotic process automation (RPA) helps reduce human error by automating business process-related manual tasks, increasing speed and lowering the total cost of ownership by saving you time and effort.

Investing in AI can reduce the cost of end customer issues. Take the example of an aluminium door manufacturer. If there are faults in a batch of doors that can't be seen by the naked eye, they will eventually make their way via a retailer to the customer's home. Only then will the fault be recognized and the complaints begin. AI can identify the fault in the raw materials and prevent the issue ever reaching the customer.



Why partner with Fujitsu?

Fujitsu is a company with a strong technology background that already has a proven track record for process automation in manufacturing. Fujitsu Smart Manufacturing is a highly responsive, adaptive, and connected operation integrated into a digital supply network. It's a flexible system that can: self-optimize performance across a broader network; self-adapt to and learn from new conditions in real- or near real-time; and autonomously run entire production processes.

A proven track record is important for clients looking for good use cases and proof of the positive impact that automation has had. That's why we don't just talk about the technologies, but also how and where they've been successfully applied.

Quick answer: Automation technology is now becoming mainstream and applied in increasingly complex processes. It leads to greater efficiencies and reduced costs. What's not to like?



How will migration deepen our insight?

Every organization is looking for enhanced customer insight and the competitive advantage that comes with it. Good data analytics can certainly provide that. However, even though all this new data is being generated and saved, the big question, here, is how best to make sense of it all?



■ Why partner with Fujitsu?

Most customers are looking for a technology partner that understands the specific challenges of their own industry and has successfully overcome them before. Understandably, reassurance comes from examples of previous ROI achieved and useful benchmarking data.

Fujitsu takes a pragmatic consulting approach, with a deep understanding of cloud and SAP. We will always encourage you to focus on your business priorities and how best to secure the data that gets you where you want to be.

■ The power of insight is infinite

Good business insight can help you simplify operations and maintenance, control risks, and ensure safety for your employees and customers.

Ultimately, you will be aiming to make the most of every business asset to help provide a holistic understanding of what's going on throughout your organization. That means using data from one part of the business to drive valuable insight elsewhere.

Quick answer: With an overview of every asset, you'll be in a position to discover new insights into your business and take performance to a higher level.

Who can answer all my questions on cloud?

As with many aspects of S/4HANA transformation, there are lots of questions that need answering here. It can be hard to know how and where to start in terms of migrating to the cloud.

Many manufacturers are unsure about price, which hyperscaler to choose, and which offer the biggest incentives to move to their platform. Other common concerns are security and protecting IP.





Why partner with Fujitsu?

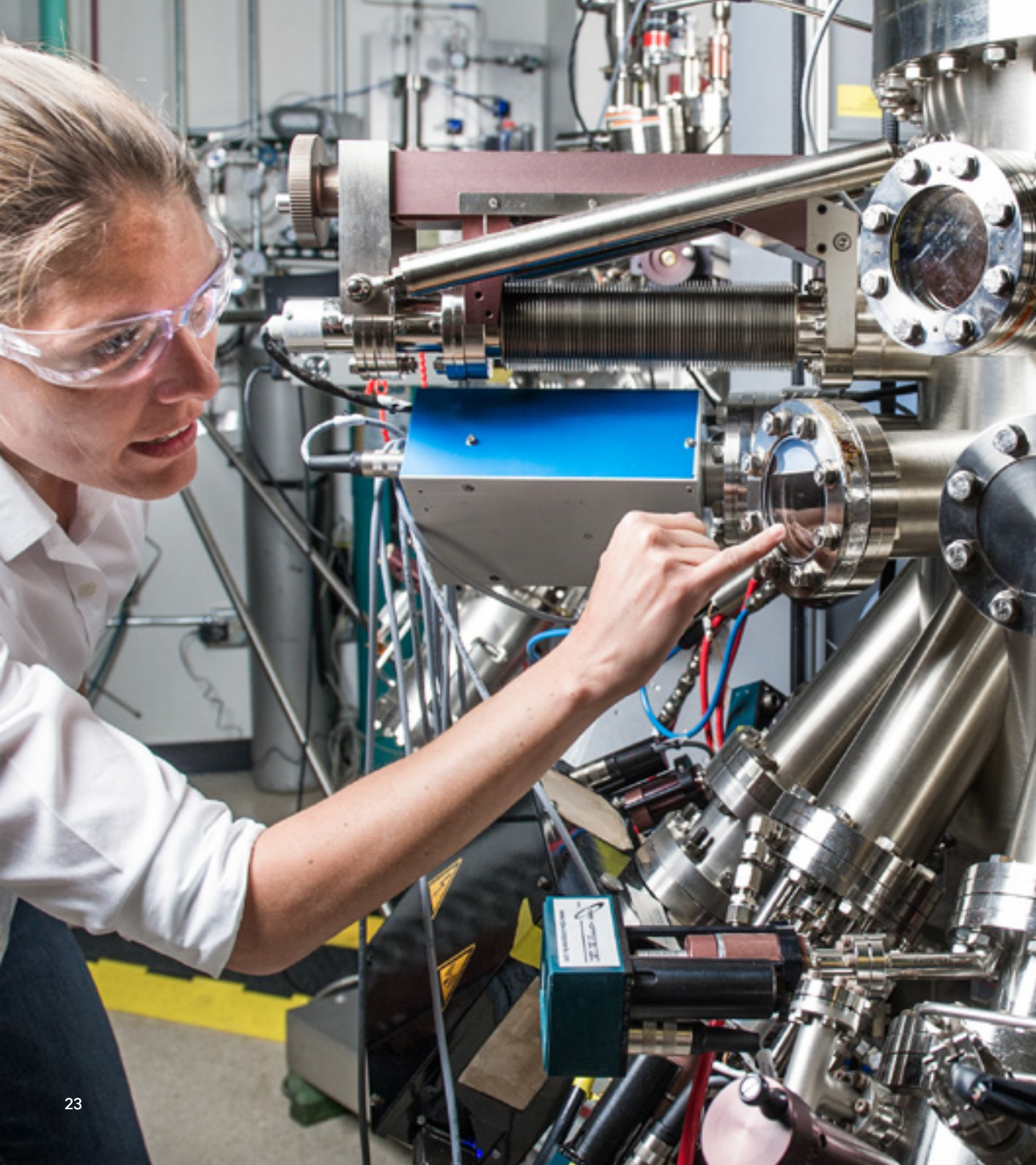
To give you the reassurance you need, you are likely to be looking for proven experience of cloud orchestrations and the management of live environments.

Fujitsu can put your mind at rest on both those fronts. Not tied to any one partner, we can review your business needs and priorities in depth before we recommend the route that will work best for you. We have no pre-conceived ideas about what any of our clients should have until we fully understand their situation.

Cloud support for an integrated housing manufacturer

Daiwa House Industry is a well-known Japanese integrated housing manufacturer that is expanding its business area to commercial facilities, urban development, and environmental energy. Growing rapidly overseas, they wanted to quickly introduce a strategic accounting system that made management information visible in real time.

Fujitsu helped Daiwa House adopt a cloud-based accounting system to support ongoing growth. Using the SAP S/4HANA® Cloud's PoC support provided by Fujitsu, Daiwa House are now introducing a global accounting network. Real-time management consolidation enables them to make rapid, well-informed business decisions based on the very latest accounting data.



Establish where you want to get to

Before deciding on a platform, you need to understand what your application landscape looks like today and what you want it to look like moving forward.

Your cloud adoption needs are unique. Not only do you have specific target outcomes, you're likely to have a delicate mixture of business, technical, and service-related considerations that might affect how you implement and use your selected hyperscaler. These include everything from traditional ways of working and legacy constraints to regulatory, availability, and security requirements.

To help give you clarity on all this as well as the best route for your organization to take to the cloud, we would recommend an initial assessment.

An assessment will provide the key answers

As well as providing all the information you need, an assessment can help you build the business case and secure organizational buy-in. It does this by aligning all aspects of your cloud adoption to targeted, predicted, and demonstrable business outcomes. Our consultants, experts in manufacturing, will work upfront with you, using our Results Chain methodology to help you thrive in a 'cloud-first' model through successful adoption with your chosen hyperscaler.

An assessment will also provide a holistic view of the relationships and dependencies in your current environment that might affect your deployment or migration. It will identify gaps in skills and processes that could block or stall cloud adoption efforts.

The comprehensive learnings of your assessment will enable you to plan and implement your roadmap. Beyond that, it will empower your people to use the latest cloud capabilities for productivity and digital development.

Quick answer: Not tethered to any particular partner, Fujitsu offers a multi-cloud approach that can be customized to meet your individual needs.



How well connected will our supply chain be?

Most customer demands are simple – they need to get their goods and services to the right place at the right time. New technologies can help provide you with a shock-proof system for the road ahead.

Harnessing the full power of your data and the increasing use of sensor technology for richer data will help guide you forward. These technologies can quickly detect problems with the supply of raw materials or, equally importantly, with changes in customer demand.

You always need to be able to quickly detect changes in demand and supply so you can respond promptly and appropriately to fluctuations, reduce uncertainty, and unlock a significant competitive edge.

It's also worth remembering that the world is changing. These days, consumers are willing to pay a premium for products that are ethically sourced. And millennials are more likely to boycott unethically produced goods. So, increasing numbers of manufacturers may place a greater emphasis on ethical supply chains.

Why partner with Fujitsu?

To do this successfully, you will likely need to enlist the support of an established expert, and that's where Fujitsu comes in. We have the experience and technology to address all these concerns. With our extensive R&D into technology, quantum computing, and sensor technology, we have all the know-how you need.

With Fujitsu's help, you can achieve a fully integrated ecosystem of connected customers, suppliers, factories, functions and other participants, enabling the ability to optimize an 'end-to-end' supply chain resulting in reduced cost and improved service.

In terms of specific technologies, Blockchain is an essential asset for provenance and sustainability. IoT and automation are also key for creating an agile, connected, and intelligent supply chain.

The market for Blockchain in manufacturing could exceed \$566 million by 2025. That's because it can be used to get more visibility into supply chains or track assets more easily.



Set your sights on live inventory management

Using these technologies, Fujitsu can help provide you with early and efficient visibility into stock transport orders. With this insight, you can reliably plan and schedule goods in transit. We can enable live inventory management that enables unlimited simultaneous material movements and true transparency on inventory and material flows.

We can establish a single platform for all warehousing operations, including optimization, automation, and labor management. We can also deliver one single harmonized material requirements planning (MRP) process for all materials, both unconstrained and those requiring advanced constraint-based planning.

While doing all this, we can address your security concerns in this rapidly evolving world. These are just some of the many benefits that await.

Quick answer: Connective supply chain is probably one of the areas where manufacturers see the most tangible returns with S/4HANA transformation.



How can we find the right technology partner for our migration?

The fact that SAP has teamed up with Microsoft to leverage the advantages of Azure is an important consideration. However, it's also important that you receive the benefit of objective external advice – and that's exactly what Fujitsu can provide with a wide perspective that's focused on your needs in a laser-like way.

We are trusted, global partners of both SAP and Microsoft. This means we can manage the risks while you focus on the rewards, like improved productivity and business growth.

Better still, at Fujitsu, we have the know-how and tools to smooth your journey. We've completed countless SAP migrations and system upgrades for manufacturers, including many large-scale moves to SAP S/4HANA. Not many organizations would willingly place their trust in a partner without this kind of class-leading experience.



Unique global partnerships

Choose Fujitsu and your modernization will be handled by unique global partnerships, bringing together leaders in critical systems, hyperscale cloud, and Hybrid IT integration – all with deep knowledge of each other's products and services.

Before you make your final decision, there's something else you should bear in mind. Technology architecture has traditionally been a domain exclusively for the IT department.

However, as organizations try to compete in the digital economy, technology is increasingly underpinning most business priorities and outcomes. This means building the intelligent core for your organization is mission-critical for the entire C-suite within your organization.

This added pressure is a good thing and, once you have buy-in at the top level, will help you maintain momentum once your journey has started. You can leave this, and all your challenges, with us. Rest assured, we have the experience and expertise to help overcome all the obstacles in your way.

One final question for you: When choosing your SAP S/4HANA migration partner, does it make more sense to choose someone with noted SAP expertise or someone like Fujitsu, with plenty of hands-on SAP experience, but with an unrivalled reputation for manufacturing and the high-end technology that SAP S/4HANA can manage?

Quick answer: As a successful S/4HANA transformation depends on a highly personalized approach, you need to choose a technology partner that delivers solutions 'with you', not 'to you'.



What next?

So, with the technologies in place to meet your business priorities, you're ready to move to the final stage of your SAP S/4HANA journey.

The Empower phase focuses on how you can ensure that your people make the most of the flexible platform you've established. This is covered by the third in this series of three eBooks, entitled: **'How to unlock the potential of your people?'**.

If you'd like to discuss your SAP estate in more detail right away, please email askfujitsuHQ@fujitsu.com, and we'll put you in touch with one of our experts.

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fujitsu.com/sap

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