

GET THE FUTURE YOU WANT WITH OUR LARGE S/4HANA TRANSFORMATION PROGRAM (LTP) METHOD



David Lowson
HEAD OF GLOBAL SAP COE



Markus Gschwari
DIGITAL CORE
TRANSFORMATION EXPERT



Martina Aleksieva
METHOD DELIVERY LEAD



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THE KEY TO SHAPING A SUCCESSFUL TRANSFORMATION





QUICK RECAP:
WHAT IS THE
LTP METHOD?





CAPGEMINI'S LARGE TRANSFORMATION PROGRAM (LTP) METHOD

DELIVERING SUSTAINABLE BUSINESS CHANGE THAT GENERATES BUSINESS VALUE

Stage 1 SHAPE PROGRAM



Transformation Ambitions & Levers definition



Wave 1 VSM and Process Maturity Assessment to define scope



Initial Enterprise Architecture Design definition



Transformation Roadmap and Business Case definition



Alignment & Sign Off

Stage 2 ESTABLISH PROGRAM



Wave 2 of Value Stream Mapping

- ✓ Requirements gathering and discussion in context of target Benefits
- ✓ Populate Program Product Backlog
- ✓ Capture business change impacts and any further benefits



Refine Target Operating Model and Enterprise Architecture

- ✓ Assess, resolve and document Key Design Decisions (KDDs)
- ✓ Initial Solution Menu Definition
- ✓ Refine Application Architecture specifically
- ✓ Define Interim Architectures

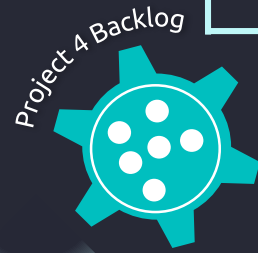
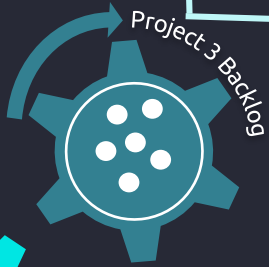
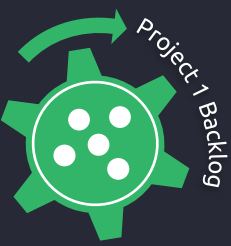


Program Definition

- ✓ Value Based Release Planning
- ✓ Mobilise Project teams
- ✓ Mobilise Program level activities
- ✓ Establish Program and Project KPIs

Stage 3 BUILD SOLUTIONS

PROGRAM BACKLOG



Stage 4 DEPLOY CHANGE

Project 1



Project 3



Project 2 Pilots



Rollout: Wave 2



Rollout: Wave 3

Project 4



Knowledge Transfer

Handover

STAGE 0
INITIAL DRIVE FOR CHANGE

OPERATE THE RENEWABLE ENTERPRISE

Current BAU Operations

Maturity Assessment

New BAU Op Model agreed

Transition to new BAU Op model agreed

New BAU Operating Model Enabled

First LTP Transition starts

DevOps and Continuous Benefits Realization

OUR DIGITAL ACCELERATION NAVIGATOR (DAN)



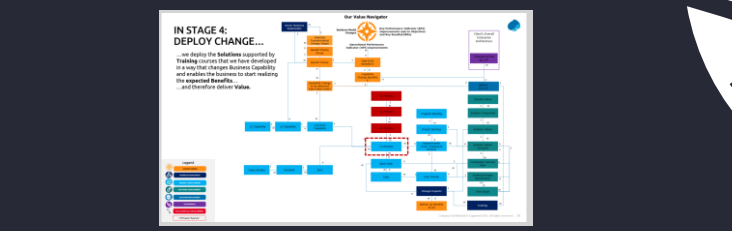
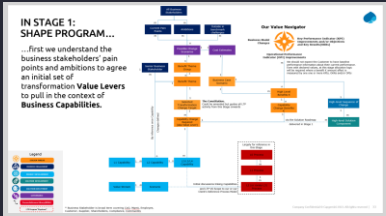
**STAGE 0
INITIAL
DRIVE
FOR CHANGE**

**MOVE INTO
CONTINUOUS
DELIVERY**

**OUTSIDE LTP
SCOPE**

STAGE 1: SHAPE PROGRAM

- ✓ Store Value Streams and Scenarios in scope
- ✓ Capture ambitions, pain points and other opportunities for capability change
- ✓ Agree Value Levers to pull -> Business Case
- ✓ Draft Enterprise Architecture and Roadmap



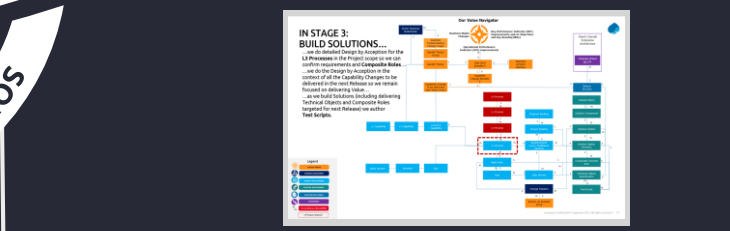
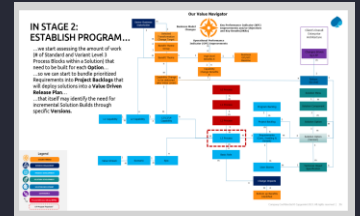
- ✓ Site readiness and Solution Cutover activities
- ✓ Train ahead of Solution deployment to enable Capability Change
- ✓ Track realization of Value delivery while handing Version 1.0 to BAU Continuous Delivery

STAGE 4: DEPLOY CHANGE

**THE FOUR
STAGES OF LTP**

STAGE 2: ESTABLISH PROGRAM

- ✓ Value Stream mapping of L3 Process Blocks and Capabilities
- ✓ Gather requirements by Value Stream for Program Backlog
- ✓ Define initial Solution Components to be built
- ✓ Develop value-driven Release schedule



- ✓ Run Projects to build to Release Schedule
- ✓ Design by Acceptation™ for the SAP standard L3 Processes
- ✓ Detail requirements and BuildPrint for non-standard
- ✓ Solution playback to check they will deliver Capability Change
- ✓ Organisation Design and Change Impact Mitigation
- ✓ User Acceptance Test and package Solutions for deployment

STAGE 3: BUILD SOLUTIONS





THE WHY, WHAT, HOW, WHO AND HOW LONG OF A LARGE TRANSFORMATION PROGRAM



WHY

Align change ambition with overall business strategy.
Sign-off on the change

Bridge between Business Case and Delivery
Build the Program Backlog and value-driven Release Plan with Transition States

Provide the Program 'wrapper'. Manage dependencies. Communicate. Measure change. Adopt and adapt.
❖ Senior Leadership Team (via Steering and Business Planning) ❖ Business Operations, BAU Delivery and COTS Partners • Program Office (Value, RAID, Backlog, Dependency, Release, Innovation Mgmt)

Project delivery - change readiness and release into Production.
To enable and then realize Value

WHAT

1. High-Level Scope and Business Case
2. Business Engagement Strategy
3. Initial Enterprise Architecture defined
4. Transformation Roadmap with Resources
5. Program Approach and Tooling
6. Executive Alignment and Sign-off

1. Value Stream Mapping to Level 3
2. Program Backlog definition
3. Develop Menu of Solutions to build
4. Refine Enterprise Architecture
5. Value-driven Release sequence with Impacts
6. Resourced Program, Project and Release Plans

- Project delivery - Build and Test of Solutions ready for deployment in a Release
1. Solution Design, Build, Test (through to UAT of Version 1.0). [Solution = Process + Tech + Data]
 2. Training and Test Scripts Developed
 3. Transition Solution Architectures defined
 4. Expected Change Impacts addressed
 5. Data Migration plans confirmed and tested

1. Local Site Prepared (Data Prepared, Users Trained, Solution Accepted)
2. Cutover Rehearsed and Completed
3. Post-live Business KPI/OPI reporting per Release
4. Handover to BAU and Continuous Delivery

HOW

- ✓ Wave 1 Value Stream Mapping
- ✓ Stakeholder Interviews
- ✓ Process and Performance Benchmarking
- ✓ Capability and Operating Model Deep-dives
- ✓ Confirm how Program will "fit in"

- ✓ Wave 2 of Value Stream Mapping
- ✓ Establish Design Authority, commence Solution Design and document Key Design Decisions
- ✓ Business engagement focused on Release Plan
- ✓ Dependent change coordination
- ✓ Project Team mobilisation

- ✓ Process Design - Design by Acception™
- ✓ Clean Core and MPSA Solution Development
- ✓ Business Architecture, Organisation Design and Change Impact Assessment
- ✓ Project Backlog Management
- ✓ Quality Assurance

- ✓ Site Readiness Assessments (Data, Change Impacts, Infrastructure readied)
- ✓ Fit/Gap Build and Training Delivery
- ✓ User Acceptance Testing
- ✓ Cutover Planning and Execution
- ✓ Solution Management (Option/Version control)

WHO

- ❖ Senior Leadership (CxO) Team
- ❖ Enterprise Architects and Product Owners
- Program and Change Leads
- Product Owners (Requirements and Roadmap)
- Solution Leads (Design and Build)

- ❖ Senior Leadership Team (via Steering)
- ❖ Enterprise Architects and COTS Vendors
- Product Owners, Solution and Change Leads
- Program Management
- Delivery Factory (start up)

- ❖ Change Champions and Solution Playback
- ❖ Local Management (Data, Org and Site readiness)
- ❖ Dependent Product Owners
- Product Owners, Solution and Change Leads
- Factory Services (Data, Develop., Training, ...)
- Project Management

- ❖ Local Implementation (e.g., UAT, Cutover, Data,..)
- Deployment Teams (e.g., Fit/Gap, Trainers, Hypercare, Infrastructure)
- Product and Solution Owners
- Factory Services including transition to BAU Ops.

HOW LONG

2-4 Months

6-9 Months

6-18 Months (Project scope/type dependent)

Scale and Scope dependent

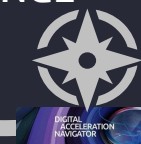
FEEL?

Excited and somewhat uncertain

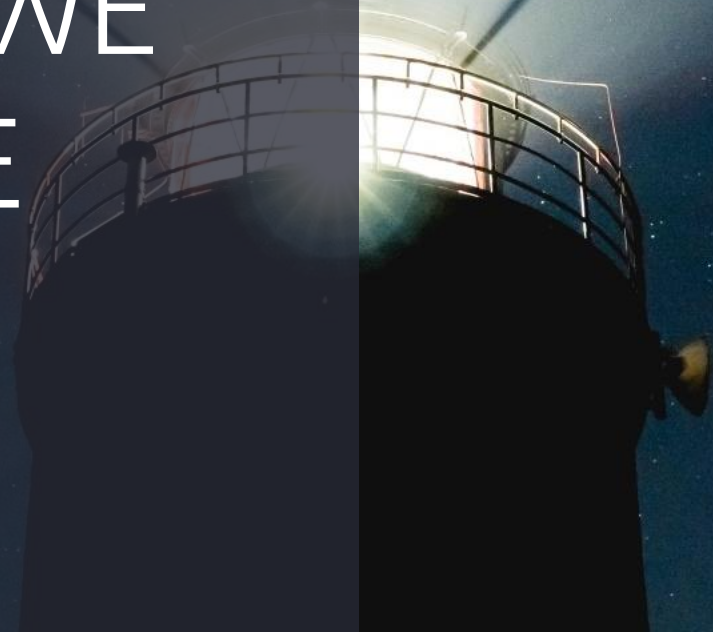
Increasingly certain and energized
[Possibly] frustrated by perceived lack of progress

Variously – energized, tired, sceptical, certain
[Possibly] frustrated by sense of Program and Business detachment

Increasingly relevant

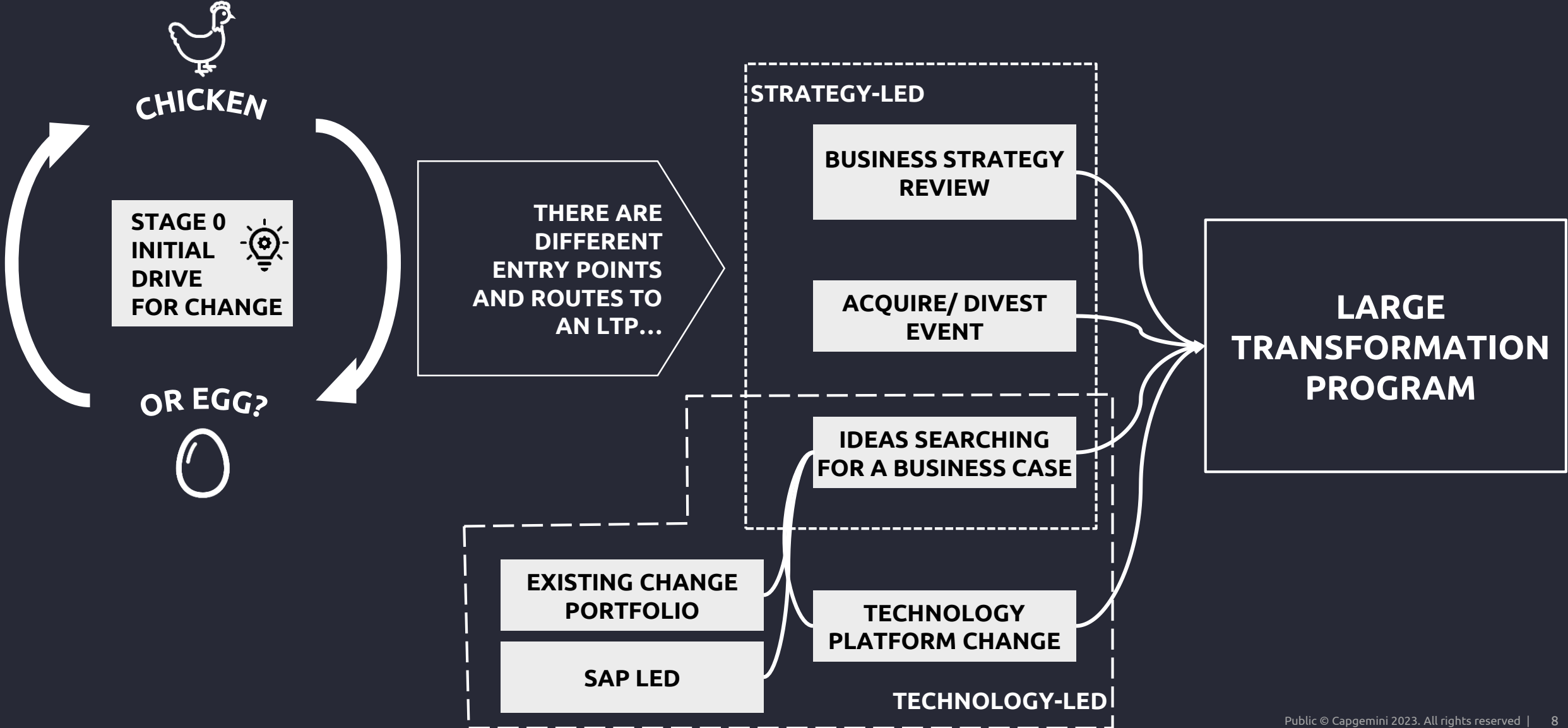


STAGE 1:
SHAPE
PROGRAM -
WHY DO WE
NEED THE
STAGE?





BUT FIRST SOME WORDS ON STAGE 0 - HOW DOES THE LTP START?





STAGE 1: SHAPE PROGRAM - WHY WE NEED THIS STAGE?

SHAPE PROGRAM STAGE IS NEEDED IF THESE TWO QUESTIONS ARE NOT YET ANSWERED...

Are the Business Change ambitions aligned with the Strategic Direction?

Are the levers (“things to change”) that need to be pulled to secure these ambitions also clear?

IF THE ANSWER TO THE EITHER OF THE QUESTIONS IS ‘NO’ THEN WE NEED **SHAPE** PROGRAM STAGE TO:

- ✓ Ensure business ambitions, strategy and direction are articulated, communicated and widely understood
- ✓ Assess the **future direction** of Business Operating Model
- ✓ Explore the true value streams, feasible solutions and **transformation opportunities** that enable identified benefits to be realised
- ✓ Establish the **roadmap** to achieve the business ambitions and create the associated Business Case
- ✓ **Align** executives on outcomes and next steps including **sign off** to build momentum towards the next stage with Business stakeholders

THE STAGE
MANDATORY
OUTCOMES
AND HOW WE
ACHIEVE
THESE





WE TAKE 5 KEY STEP WHEN STARTING TO DRIVE THE ACTIVITIES IN STAGE 1 THAT LEAD TO THE MANDATORY STAGE OUTCOMES



Set Business transformation ambitions & strategic direction & identify levers to secure these ambitions



Assess the future direction of operating, data and IT models using the maturity framework



Explore feasible solutions & transformation opportunities that enable future maturity achievement



Establish the transformation roadmap and populate the associated Business Case



Align all executives on outcomes & next steps & achieve signed off momentum towards the next phase with Business stakeholders



SOME WORDS ON EACH OF THE 5 STEPS

1
Ambitions & Levers


2
As-Is/To-Be Maturity


3
Target Models


4
Roadmap & B-Case


5
Alignment & Sign off


INTERVIEWS WITH SENIOR STAKEHOLDERS AND OTHER INTERESTED PARTIES

CAPTURE OF PAIN POINTS AND AMBITIONS TO CHANGE

DRAFT CAPABILITY MODEL

INITIATE DISCUSSIONS AROUND VALUE LEVERS AND SIZE OF BENEFITS

DRAFT INITIAL ENTERPRISE ARCHITECTURE TARGET (BUSINESS, APPLICATION, DATA, TECHNOLOGY)

WAVE 1 VALUE STREAM MAPPING TO SET HIGH-LEVEL PROCESS SCOPE AND UNDERSTAND LTP BOUNDARY CONDITIONS

COMPLETE AS-IS AND SET TARGET MATURITY FOR EACH CAPABILITY CHANGE/VALUE LEVER SOUGHT

START CAPTURING DESIGN DECISIONS

USE INDUSTRY BENCHMARKS AND OUTSIDE-IN VIEWS AS NEEDED

AGREE INITIAL TARGET ARCHITECTURE OPTIONS

SCOPE INITIAL HIGH-LEVEL CHANGES IN SCOPE OF LTP

START PLOTTING PART FROM AS-IS TO TO-BE

ASSESS SCENARIOS THAT COULD BE TAKEN INTO BUSINESS CASE ANALYSIS

MODEL BUSINESS CASE AND SCENARIOS

ITERATE TO THE POINT OF SELECTING PREFERRED TARGET (PLUS LOW AND STRETCH TARGETS AS NEEDED)

COST AND BENEFITS HYPOTHESES

CAPTURE ASSUMPTIONS AND/OR ITEMS TO BE VALIDATED IN STAGE 2

AGREE BUSINESS ENGAGEMENT STRATEGY

ALIGN WITH ORIGINAL SET OF STAKEHOLDERS FROM STEP 1

PREPARE COSTS AND RESOURCES FOR STAGE 2

PRESENT BUSINESS CASE FOR APPROVAL

EXPECT LEVEL OF FOLLOW-ON WORK FOLLOWING INITIAL REVIEW PRIOR TO FINAL SIGN-OFF



THE MANDATORY OUTCOMES FROM STAGE 1 DELIVERED UPON EXECUTION OF THE 5 STEPS ARE:



**INITIAL ASSESSMENT
FOR BUSINESS CASE**



**INITIAL
TRANSFORMATION
ROADMAP INCLUDING
PROGRAM RESOURCES**



**BUSINESS ENGAGEMENT
STRATEGY AGREED**



**INITIAL ENTERPRISE
ARCHITECTURE
TARGET DEFINED**



**PROGRAM
GOVERNANCE,
TOOLING AND NEXT
STAGE PLAN AGREED**

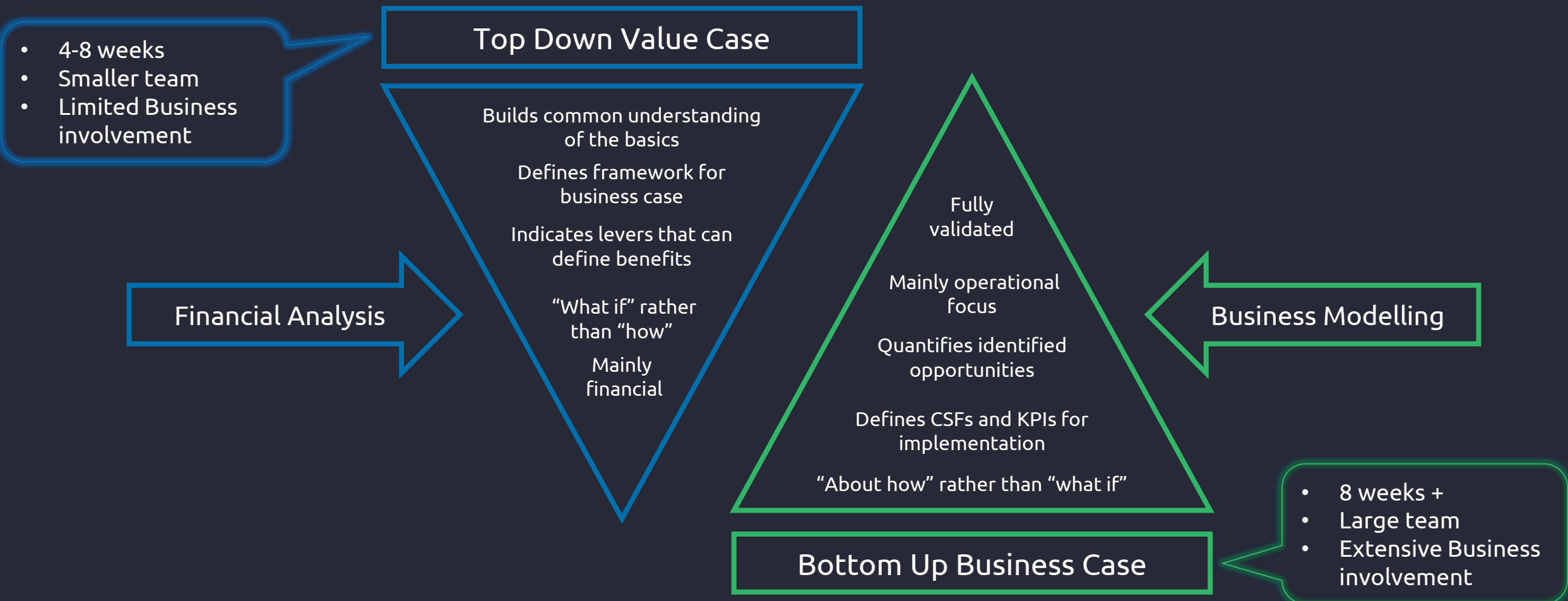


**EXECUTIVE ALIGNMENT
AND SIGN OFF**

These outcomes and their executive sign off **must** be achieved in order to pass 'Go' on Stage 1 of an LTP



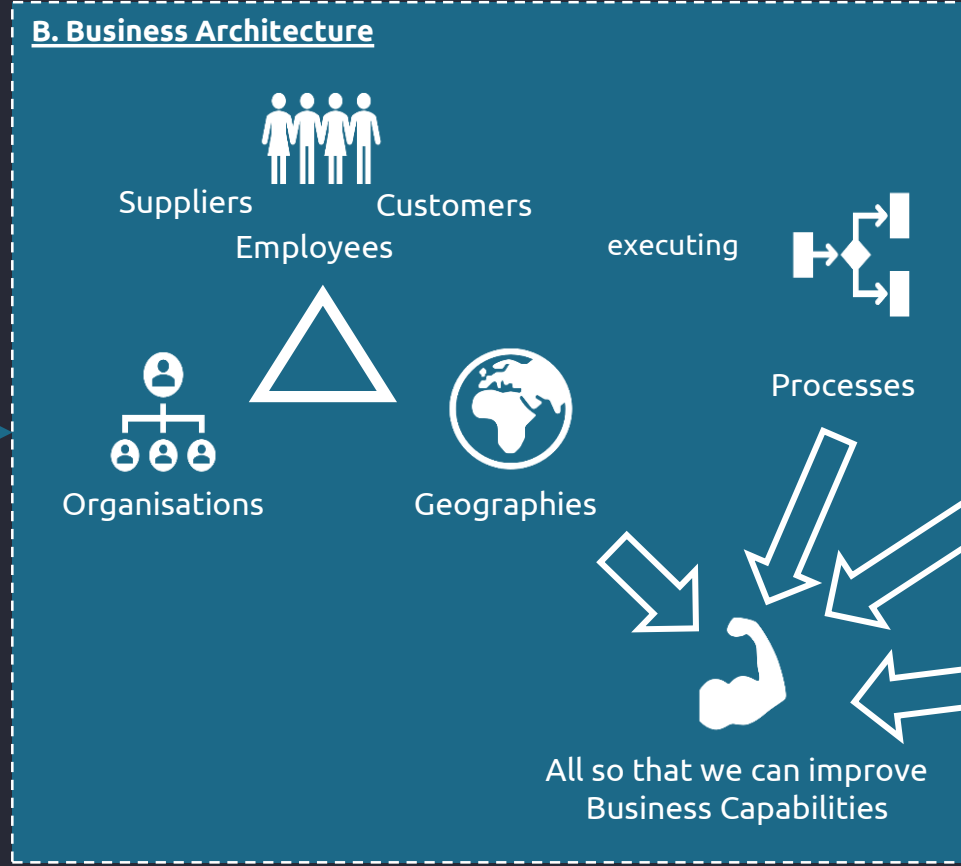
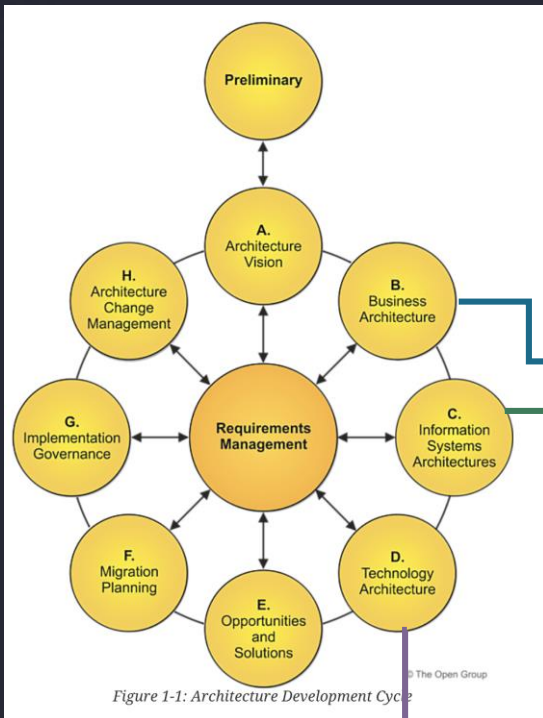
OUTCOME 1 – BUSINESS CASE



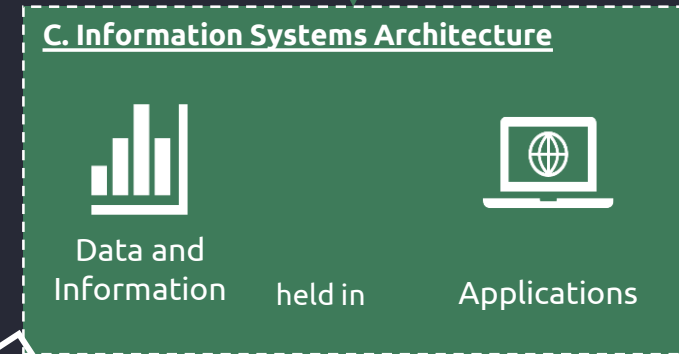


OUTCOME 2 - INITIAL ENTERPRISE ARCHITECTURE

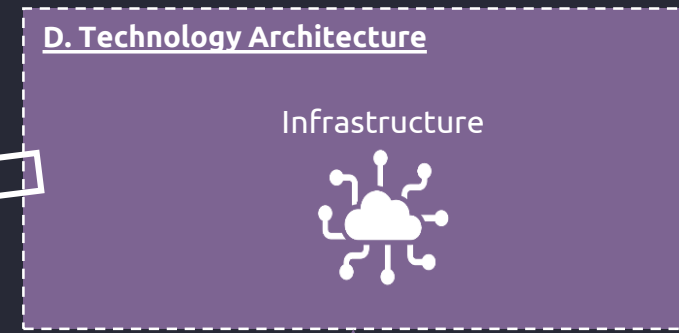
TOGAF ARCHITECTURE WHEEL



...consuming services provided by...



...deployed to and running on



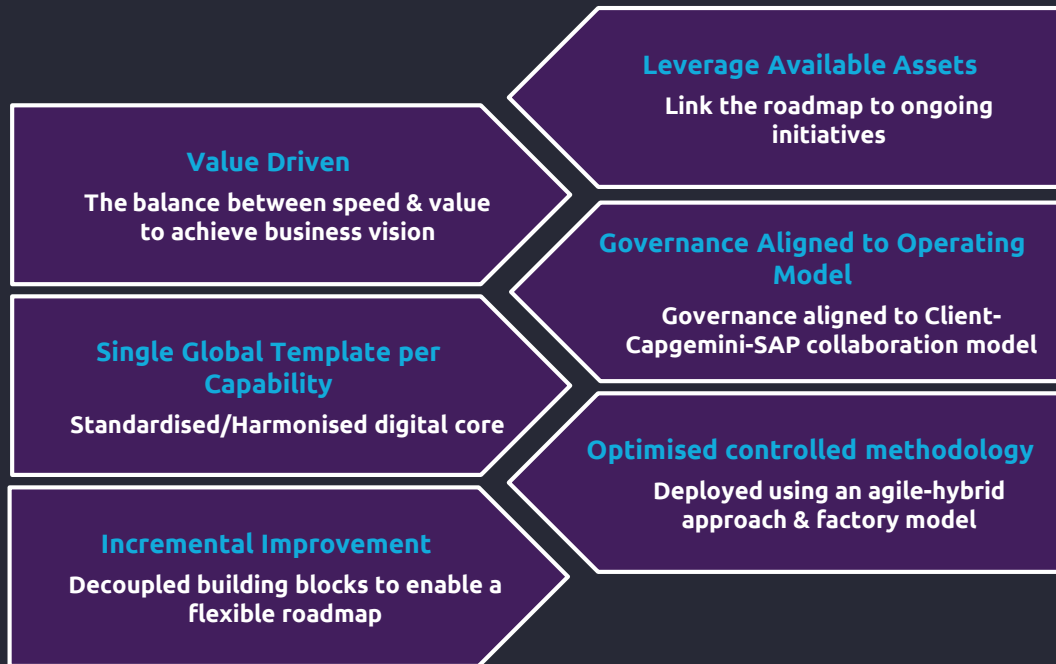


OUTCOMES 3 AND 4 - TRANSFORMATION ROADMAP AND PROGRAM GOVERNANCE

THE DEFINITION OF THE TRANSFORMATION ROADMAP

IS ABOUT FINDING THE RIGHT BALANCE BETWEEN BUSINESS PRIORITIES AND CONSTRAINTS.

HERE ARE SOME CONSIDERATIONS TO THINK ABOUT...



TEAM VS THEME

WHAT'S DESCRIBED IN OUR LTP METHOD ARE THE **THEMES**, I.E. **THE TYPE OF WORK TO BE DONE**, NOT A SPECIFIC TEAM ORGANISATION STRUCTURE.

WE DON'T PROSCRIBE THAT WE/ YOU HAVE TO PLAY, SAY, WITH A 4-4-2 FORMATION, SIMPLY THAT YOU NEED TO DEFEND AND ATTACK.

WE DON'T PROSCRIBE TOOLING EITHER, ONLY THAT TOOLING IS NEEDED AND IT NEEDS TO BE CONSIDERED CAREFULLY WITH A WIDER THAN JUST THE LTP OUTLOOK



WHICHEVER WAY THE TEAM IS ORGANISED...



...DOES NOT CHANGE THE (TYPE OF) WORK THAT NEEDS TO BE DONE...



...TO ACHIEVE THE DESIRED OUTCOME.



OUTCOMES 5 AND 6 - BUSINESS ENGAGEMENT AND EXEC ALIGNMENT

WHEN EMBARKING ON A LARGE-SCALE TRANSFORMATION PROGRAM ORGANIZATIONS MOST COMMONLY EXPERIENCE ONE OR ANY COMBINATION OF THESE CHALLENGES



1. Rigid organization structure, hierarchical and silo-ed



2. Significant resistance to change adoption and shift in mindset



3. Varying maturity levels in TX capabilities across organization



6. Lack of alignment in decision-making/addressing dependencies



5. Delayed problem and issue resolution and or risk mitigation



4. Lack of leadership visibility and ability to break down barriers



7. Tech and Architecture focus with lack of business involvement



8. Limited accountability causing delays and ownership issues



9. Competing priorities across organizational units

MOST COMMON



TO ADDRESS THESE CHALLENGES, IT IS KEY TO TAKE A COMBINED TOP-DOWN AND BOTTOM-UP TRANSFORMATION APPROACH

TOP-DOWN APPROACH



Active Leadership

Clearly identify leaders and align on consistent expectations to drive change



Shared Strategic Vision

Introduce focus areas, shared goals, and aligned priorities to enhance business-IT alignment



Shifted Operating Model

Develop and operationalize end-to-end model



Enterprise Collaboration & Alignment

Gain buy-in and bring key stakeholders including Business, Product, CX, and Technology partners along the journey

Upskilling “Boots On The Ground”

Shift skillsets to increase digital affinity among employees, improve data analysis capabilities, and identify program maturity at an individual and team-level



Cross-functional Collaboration

Increase collaboration and alignment across teams, decreasing siloes, and working to adopt a singular mission



Value-Centric Mindset

Empower teams to adopt an owner mindset and understand the end-to-end value journey



Team-Level LTP Adoption

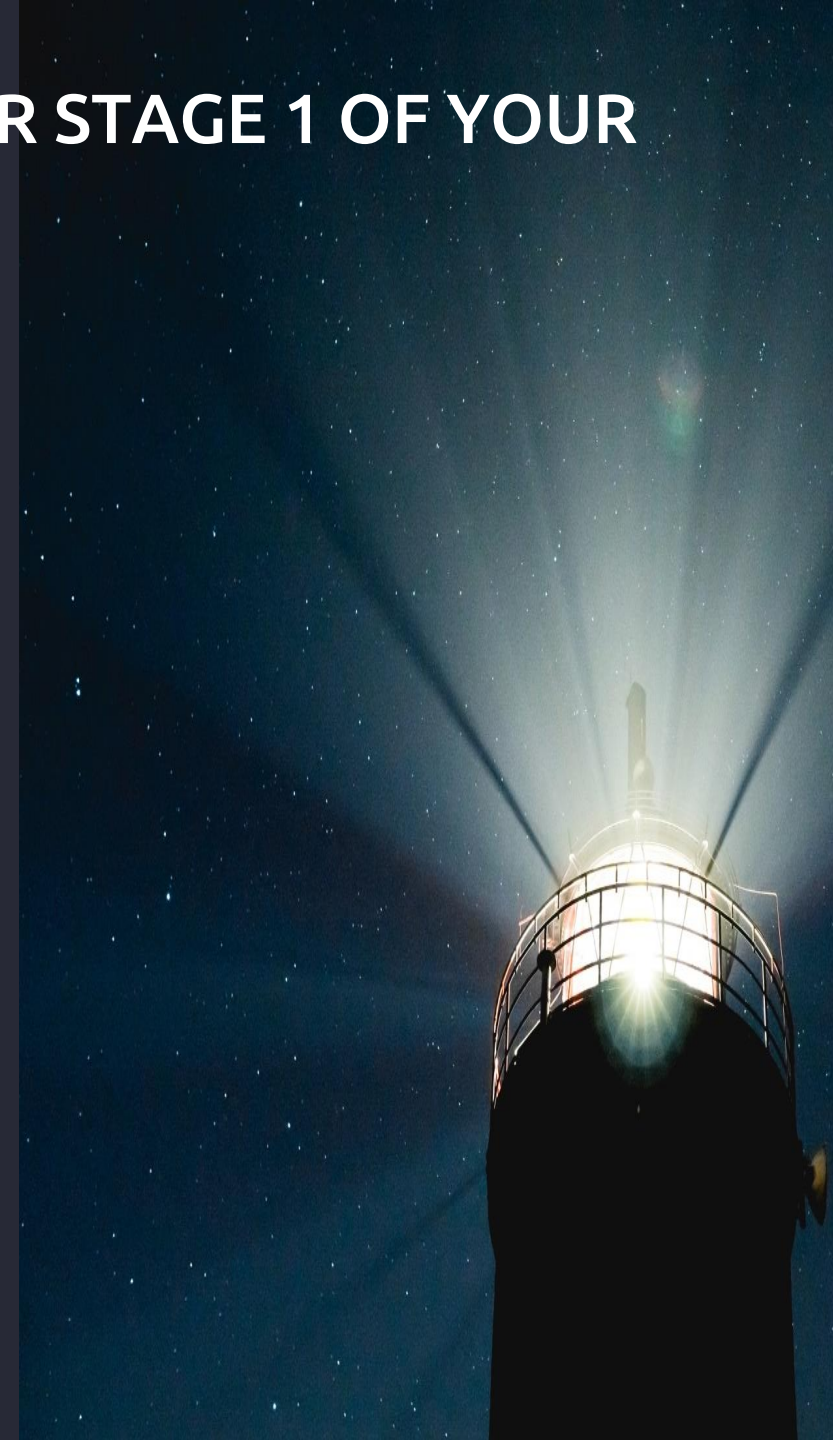
Enable transformation readiness with new ceremonies, roles, and the introduction of standard metrics to implement team accountability



BOTTOM-UP APPROACH

IN SUMMARY: HERE ARE FIVE KEY TAKEAWAYS FOR STAGE 1 OF YOUR LARGE TRANSFORMATION PROGRAM

- 1 | DEVELOP A PURPOSEFUL VISION**
Setting an ambition for real business value creation will galvanize the entire organisation around a common purpose, greatly increasing chances of success
- 2 | DEFINE VALUE EARLY ON**
Make the value case concrete and anchor the transformation program around it, innovate at the value stream level and don't forget your capability and operating model choices before you transition processes
- 3 | USE THE PROGRAM AS A CATALYST**
An LTP is a once-in-a-decade opportunity for meaningful innovation of your organisation. Channel the pain for valuable change
- 4 | START WITH THE BUSINESS**
SAP is the backbone of your future digital organisation. Design that organisation and be deliberate about what role your application architecture has within your EA strategy
- 5 | INCENTIVISE FOR SUCCESS**
Create an LTP governance framework and structure where your people are incentivised to stay the course and drive success home





**GET THE
FUTURE
YOU WANT**