



With SAP HANA,
Moving to Next Generation ERP
is Easier than You Think.

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With a fast-changing business landscape, CIOs are under constant pressure to be business ready at all times. Nowhere is this more prominent than in legacy ERP deployments. At the pace at which business is evolving, CIOs cannot afford to ignore the transformative analytics and decision-making capabilities that next-generation ERP technologies offer.

The transformation is driven by the gradual deconstruction of yesterday's monolithic ERP architecture, by ERP vendors themselves. The next generation of ERP systems is expected to be very much the opposite of monolithic – a distributed suite of applications that work in concert, but also individually if needed. In an ideal scenario, a core suite of business applications can be supplemented by a collection of best-of-breed applications.

SAP's recently launched S/4HANA is a prime example of how the ERP is evolving. The SAP HANA database uses a concept called in-memory analytics, in which ERP databases run in server memory. This makes querying and searching extremely fast, almost real-time. The other key feature of S/4HANA is the appliance based deployment model, where the application is deployed on a pre-packaged hardware. In addition to the appliance model,

SAP HANA is also available through the HANA Cloud Platform, through SAP's own cloud and also through certified CSPs. Therefore, in many ways, the next-generation ERP model seems to mirror the broader strategy of hybrid IT, with some parts on the cloud and others on-premise.

The cloud option makes it easy, even for legacy ERP owners, to realign their ERP strategy and turn their vision for a next-generation platform into reality. Here are some of the key advantages that SAP HANA on cloud give CIOs:

› **Measured Transition**

Because the new ERP applications like SAP S/4HANA are highly componentized, CIOs need not take a big bang approach to ERP implementation. Cloud deployment models allow for measured, modular deployments, with lower commitments in terms of personnel, time and money.

› **Faster Time to Market**

Leading ERP products today have very short development cycles, compared to earlier times when new products or functionalities would sometimes take years to develop, debug and release. Players like SAP have the advantage of decades of cumulative knowledge, allowing them to do custom development and bring new features to market faster.

› **Reasonable IT Spends**

With lesser investments towards on-premise infrastructure and applications, it becomes easier to switch over to the new system. The annual costs are very small, and generally on a pay-per-use basis. Often the costs of running the ERP on the cloud are comparable to the cost of maintaining and upgrading legacy ERP systems, year on year.

› **Hybrid Approach**

The cloud ERP model allows organizations to adopt a hybrid deployment, where both cloud based and legacy on-premise systems can coexist. For example, core modules like inventory, purchase and production can be retained within existing applications, while modules that need frequent updates, such as purchase, sales & marketing can be taken to the cloud.





› **Greater Flexibility**

With cloud support and ease of deployment, the next generation of ERPs are easier to configure, upgrade and integrate with existing IT infrastructure.

A classic advantage of cloud based systems is their ability to support global operations and scale easily as the business grows. Certain modules like procurement, supplier collaboration, enterprise asset management, sales order management and logistics benefit greatly by moving to the cloud.

› **Control Over Timelines**

Out-and-out ERP implementations or migrations can take years to complete. This makes legacy ERP upgrades almost impossible to carry out without compromises.

Organizations that wish to make such large-scale transitions run huge risks, in terms of time and cost overruns. With a componentized, cloud-based implementation such risks are greatly mitigated.

› **Simplified Management**

You get a powerful suite of dashboards and controls to understand utilization and performance at a module, network or appliance level. This allows you to proactively address performance and availability concerns, and advance plan for changes in consumer trends. For example, in the e-commerce industry certain times of the year may require greater inventory, new suppliers and larger number of SKUs. A cloud ERP allows you to scale storage, network and compute resources to accommodate the new market requirement.