

“Paving the way for greater efficiency”

The energy company innogy SE has created the basis for its digitization using SAP S/4HANA. In this interview, project manager Dr. Ulrich Borgdorf who is responsible for the Accounting Finance Services department at innogy, describes the factors that contributed to the success of the “s4i project”, with agile management playing a key role.



Why did you launch your S/4HANA project?

BORGDORF / innogy SE emerged two years ago from a total reorganization of the RWE Group and is currently still distributed across a number of different SAP systems and entities. This leads to considerable additional work, especially in the horizontal functions. We therefore decided to set innogy up in a single ERP system, starting from scratch, and using S/4HANA based on the latest technology. The project name s4i is derived from this. Through the new system, we are creating a uniform database which is a core prerequisite for the digital approach of our company. In addition, the project lays the foundations for significantly higher efficiency through standardization and optimization of processes and systems. We are following SAP best practices and are creating the new processes on the basis of SAP standard functions. Our project motto is: “s4i Simple | Uniform”.

What does this mean for your financial accounting?

BORGDORF / Firstly, we have developed a new, uniform chart of accounts for all innogy companies. At the same time, we are switching to modern ledger technology to differentiate between the various accounting views. Then there is the splitting of receipts to map to innogy segments. With the new single posting table for accounting and controlling, we have a single source of truth for all financial reporting. Last but not least, the user interface has changed: With SAP Fiori, we will operate the new system predominantly via apps and tiles in a browser.

What was the reason you decided to manage the s4i project agilely?

BORGDORF / We used to run our projects using the waterfall approach. This involves the risk of having lengthy discussions and planning, that ultimately result in not much success. With s4i we are deliberately taking a different approach: we are relying on the new SAP activate method, which uses elements of the "Scrum" agile framework. The method is based on the process standards in SAP Best Practices. This means that the desired target is substantially defined from the start, and only requests for changes to these target processes and any additional requirements are discussed, decisions are taken in line with our principle of "Simple and uniform", and prioritized for future implementation. Another benefit of our agile approach is that the teams are self-managing. Around 200 people are working on this project in 17 teams, who prioritize, implement and test the business requirements in three-week long iterations, or sprints. Thanks to these short cycles, we can very quickly see and evaluate results in the system. This regular feedback safeguards quality, and helps us to remain on schedule and within budget. In addition, during the implementation we can react flexibly to changing or new requirements. Especially in such a large project, it is impossible to be aware of all requirements from the start.

How did your teams cope with this new approach?

BORGDORF / For most of the staff working on the project, agile working was something new to them. There was therefore an initial period of a few weeks while they adapted to it with limited productivity as a result. With targeted training sessions and the deployment of Scrum coaches we managed to get rid of the uncertainties that existed. Now, the teams have taken the agile methodology on board, integrated it into their normal working patterns, so that we are enjoying its full benefits.

How are you introducing users to the new world of S/4HANA?

BORGDORF / In parallel to the implementation, we have been developing a tailored training plan for each of the various user groups. With a variety of training methods, such as classroom sessions, webinars and e-learning, we are currently transferring knowledge about the new S/4 system into the organization. Parallel to this, we are coaching people on the changeover process through a series of change management measures.

Where are you currently?

BORGDORF / Preparations for the production startup are largely complete. The fact that from the start we limited the development phase to the period up to end September has proven valuable here. This has meant that we have been able to focus in the last two-and-a-half months on the extensive testing and acceptance program, while also training users. The time between the year-end holidays will be used by the IT experts to perform the remaining necessary technical migration steps.

After going live and starting the production phase, what happens next?

BORGDORF / In the first few months after going live, we will be shifting the system over to normal operation in an "intensive care" phase with intensive support and additional training. We will then start to migrate other companies in the innogy group to the S/4 system. To do so, we are currently preparing a migration plan which will define the migration clusters and schedules for 2019. The final go-live date of January 1, 2020, will see the end of the current roll-out of the s4i project. ■