

# “Changes must be implemented sustainably”

Swiss technology group HOERBIGER is harmonizing and standardizing its global business processes as part of its SAP S/4HANA rollout. The extensive project is now almost half complete. Thomas Kriechbaum, Head of IT and Chief Process Officer at HOERBIGER, talks to us about the main findings and success factors.



## WHAT WAS THE MOTIVATION FOR THIS PROJECT AND HOW DID YOU ORGANIZE IT?

KRIECHBAUM / Our process and IT landscape was heterogeneous, barely standardized and as such not equipped for future efficient growth. At the same time, it was generating high maintenance costs. So our task was to harmonize everything. The project was the largest we had ever undertaken at HOERBIGER, and was given an accordingly high profile within the organization: We reported to Group management on a quarterly basis, among other communication measures. Managers from all the divisions involved were represented on our Steering Committee, and all sub-projects such as the Purchase to Pay project were managed in tandem by process and IT managers.

## WHAT WERE THE BIGGEST CHALLENGES YOU FACED?

KRIECHBAUM / Even just the initial organization of the program was complex. We brought in employees from the Operations side who could learn the ropes within the project structure.

The core team consisted of around 60 employees, with as many as 150 in the extended team – orchestrating a team of that size is a challenging task, as is cleaning up the master data during migration. But the biggest challenge was certainly the change process itself. Many people feel unsettled when processes and structures change fundamentally and they are faced with completely new tasks.

#### HOW DO YOU HANDLE THAT?

KRIECHBAUM / Open communication from an early stage is crucial. Ideally, you should show employees the changes before the new SAP S/4HANA system goes live, as then they are prepared and find it considerably easier to work with it. We have invested a lot in doing that so far, in various end-to-end workshops for example, and we are continuing to invest and to organize qualification trainings. In addition, we have a dedicated team alongside the rollout team, which will be on-site after the rollout and can adapt processes if necessary. In general what's required is patience. Changes take time, and the benefits generally only emerge after about six to twelve months, once everything has gradually settled into a routine.

#### HOW NOTICEABLE ARE THE RESULTS OF THE PROJECT?

KRIECHBAUM / That depends largely on the starting points of individual organizations. We have now rolled out SAP S/4HANA in multiple HOERBIGER companies and factories, and the positive changes are most noticeable in those areas that have previously had no ERP system at all, or at least no integrated ERP system. In the case of highly automated factories that have been using SAP for almost 30 years, you need to go deeper to see what has improved. The global process organization we have introduced remains unchanged, in order to ensure that business processes are performed as planned, though in addition, the processes are continually being optimized and enhanced. There is a dedicated team taking care of this too, using new technologies such as process mining to identify process variants or deviations.

#### WHAT ARE YOUR MOST IMPORTANT FINDINGS?

KRIECHBAUM / First, you need to be certain that standardization will bring added value for the organization. Secondly, I would strongly urge readers to work as hard as possible on the change process and to always have a listening ear available for employees: The change process will run much more smoothly if people feel they are being taken seriously.

#### HOW WILL YOU INCORPORATE YOUR EXPERIENCES FROM THIS PROJECT INTO THE CONTINUED ROLLOUT?

KRIECHBAUM / After every transition, we look at our lessons learned and adjust our methods and tools if necessary. After rollout in the pilot factories, we took time to intensively examine the S/4HANA template, because we understand that while the ideal process is developed virtually in laboratory conditions, using a greenfield approach, real life is generally much more multifaceted.

#### WHAT ARE THE NEXT STEPS?

KRIECHBAUM / In addition to more rollouts, we need to further establish the process organization and improve it on a continuous basis. In combination with "clean" master data, our harmonized, standardized process environment forms the basis for digitization or implementing Industry 4.0, and for those purposes we are working on new technologies such as Robot Process Automation, among others. Our S/4HANA project paved the way for this, because even the best robots can't cope with a heterogeneous process and system environment! ■