



COMPANY OVERVIEW

MEGA Gruppe is a leading independent wholesale distributor in Germany offering a full range of products for the painting, floor laying and plastering trade. Founded in 1901 by craftsmen in Hamburg it now has over 100 locations throughout Germany and is known for its innovative approach to renovation and modernisation.



HIGHLIGHTS

- SAP S/4HANA helps to transform the business towards becoming an Intelligent Enterprise
- MEGA Gruppe gets the technical foundations to support business processes and initiate further projects to drive growth
- Achieving the right management information through advanced reporting capabilities
- Access to SAP qualified consultants with the skills and experience required to drive the SAP S/4HANA transformation project
- Ability to optimise its business processes step by step
- SAP S/4HANA has enabled Mega Gruppe to explore opportunities with SAP Fiori and Machine Learning

COMMITTED TO THE FUTURE: HOW MEGA GRUPPE MADE THE JOURNEY TO SAP S/4HANA

MEGA Gruppe started its SAP relationship with SOA People (formerly cormeta) over 20 years ago. Its migration over the next six months to SAP S/4HANA with SOA People will take the organisation to new heights as it transforms the business towards becoming an 'intelligent enterprise'.

STEP ONE: CONSIDERATIONS FOR REACHING A DECISION

Migration to S/4HANA involves significant investment and effort. Making the decision to migrate requires considerable business and financial justification, often against a backdrop of ensuring your existing SAP environment is kept running, as well as financial controls and cost reduction.

MEGA Gruppe wanted to be well prepared technologically for the future so it could not only achieve but exceed its business objectives going forward. The firm wanted to get the best and fastest performance out of its ERP system for its 1,200 users across 100 locations in Germany, taking advantage of the latest technologies available on the market to underpin its business.

Jens Hungershausen, Head of IT at MEGA eG says, *"Getting the right management information through advanced reporting capabilities would also enable us to execute our business processes efficiently and create an easier operating environment for our employees, resulting in faster training and an overall reduction in human error."*



With mainstream support for its ECC platform ending by 2025, MEGA Gruppe was concerned that there would be a rush for SAP qualified consultants with the skills and experience required to drive an SAP S/4HANA transformation project, and this was a major factor in making a decision to take action straight away. The fact that SAP Fiori did not have to be deployed for its SAP S/4HANA technical backend made life easier, as MEGA Gruppe could continue to use its SAP GUI interface which would reduce the need for additional training.

Another advantage of choosing SAP S/4HANA was the flexibility of implementation and gradual change capability. MEGA Gruppe could optimise its business processes step by step rather than as one major implementation project which could quickly become overwhelming. Once the technical foundations were made, further ERP-related projects could then be initiated particularly across the ecommerce and marketing functions.

And finally, MEGA Gruppe needed to consider whether to move to SAP S/4HANA adopting a Greenfield or system conversion approach. The firm already had some 10 years of data on its existing system which users accessed for reporting, order history and so on. If it chose a Greenfield approach it would involve migrating some 4-5 years' worth of data involving complex legal requirements around the use of data in Germany. A system conversion approach would enable migration without re-implementation and with much less disruption to existing business processes.

Jens adds, *"After detailed analysis where we ascertained that 60-70% of our processes would remain the same, we concluded that a conversion approach would be our best option. We also knew that with our new system we could considerably improve the 30-40% of processes that would need to change."*

STEP TWO: TAKE OFF

MEGA Gruppe has been working closely with SOA People to achieve its end goal of SAP S/4HANA conversion by April 2019. A project team of seven consultants from SOA People has been engaged to drive the transition working collaboratively with the MEGA Gruppe team.

From the outset a detailed timetable was created in conjunction with SOA People for the planned completion and work is well underway to achieve the target date. A Sandbox system has been updated to S/4HANA 1709 and a full test cycle has already been carried out. Following this a new SAP S/4HANA sandbox has been set up incorporating the new 1809 release. Conversion of Development and Q-System will follow later in the year with customisation and further testing.

STEP THREE: EMBRACING THE CHANGE

As the SAP S/4HANA transition moves forward, MEGA Gruppe will have the technical foundations to look in depth at its business processes and initiate further projects to drive change in the organisation.

Jens concludes, *"We are already thinking about what SAP Fiori could bring in terms of new user apps and interfaces, as well as how we can incorporate Machine Learning and algorithms into the Finance Department. All this will be within reach with SAP S/4HANA."*

"We concluded that a conversion approach would be our best option. We also knew that with our new system we could considerably improve the 30-40% of processes that would need to change."

WORKING WITH SOA PEOPLE

"We enjoy a long standing and successful relationship with SOA People. Each time we're considering new ideas or projects, for example for our ecommerce or warehousing, where we needed a WMS, we turn to SOA People as our first point of contact. They either propose a solution or introduce us to a partner with the right solution."

"They give us great insight and ideas for improving our processes by making the most of technology."

Jens Hungershausen, Head of IT at MEGA eG