



# PwC brings distinctive domain expertise to overcome SAP migration challenges

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**The Situation:** At its Asia Pacific Analyst Event in May 2022, PwC showcased its position as the domain expert of choice for enterprises with its intellectual properties, approaches, and expertise in the SAP services space. Its co-innovations with SAP, investment, talent development, and focus area well resonated with the market demand. PwC reinforced its market position with its SAP client's success stories, deep domain knowledge, and the ability to deliver business outcomes.

## Domain knowledge plays a crucial role in successful SAP S/4HANA migration

To meet business demand, enterprises want to modernize their legacy SAP applications and infrastructure to a more nimble, integrated, and innovative SAP cloud business platform that provides access to simplified data. For SAP's legacy client base, SAP S/4HANA migration is critical for its larger digital transformation. To support the transformation, SAP's existing and potential clients need the right partner with a problem-solving mindset, expertise, and experience. During our SAP S/4HANA Top 10 study through client interviews, we learned the need for the provider's domain expertise for a successful transformation, and one of the key expectations.

Based on the detailed session on SAP by PwC focused team, customers discussion, and speaking with leaders few themes resonated with the client's expectations. PwC plays strongly with its domain strength and fits in here to serve the clients. It has distinctive domain expertise and SAP capabilities to deliver the transformation with long-term sustained solutions; PwC has years of experience in large implementation and co-innovation. It focuses more on delivering outcomes than consulting and implementation services, and the firm constantly invests to meet clients' requirements.

## Demonstrated business outcomes key to overcome hesitancy to migrate to SAP S/4HANA

The existing SAP customer base remains conservative about migrating to SAP S/4HANA and cloud, mainly because of their extensive customization, master data integrity, prioritization during COVID downtime, and, frequently, a resistance to change. However, organizations remaining in decades-old legacy systems will lose their edge. Innovative enterprises are building strong business cases to initiate SAP S/4HANA migration.

After leadership uses a strong business case to convince key stakeholders to migrate, another big challenge is identifying the right service provider partner to support that journey. Most service providers have strong industry-specific solutions and the ability to execute a large transformation. However, sometimes providers' solutions and execution capabilities are no longer adequate for the transformation.

SAP could bring a business technology platform to its clients, but it needs domain expertise to contextualize the technology platform to support

the transformation. PwC leverages its New Equation approach in SAP engagements too which brings elements like the best talent, innovative technology solutions, and experience to help organizations build trust and deliver sustained outcomes. PwC collaborates with the clients and technology vendors with an open mindset to deliver the outcome.

## Enterprises can leverage PwC's tax and regulatory expertise

The SAP services space is crowded with capable providers with strong consulting, advisory, implementation, and management services capabilities. Furthermore, system integrators are largely focused to enhance their consulting capabilities as they realized its critical for each engagement. In the crowded SAP services space, PwC is positioned as a strong consulting provider. Additionally, the professional services firm brings its domain expertise in supply chain and human capital management and a unique tax and regulatory heritage to the engagement. The firm approaches large transformation with its integrated solutions leveraging SAP. PwC's enriched tax capabilities and other intellectual property attract SAP to work together in this space, and they go to market together. But simultaneously, the firm may have to consider increasing its focus on industry-specific solutions and outcome-based engagements to be competitive.

SAP consulting and implementation services are the core strength of PwC, but lately, the firm is doubling down on managed services business to build end-to-end delivery capability. PwC focuses on sustainability, too. The firm built a climate excellence tool on the SAP platform for the financial services industry. It has analytics capabilities that help organizations in banking, infrastructure, and real estate industries assess the impact on their asset portfolio with the percentage change in global temperature. PwC offers the climate excellence tool as a service to clients that provide access to the tool, which helps clients analyze the impact of climate change on their business.

Like its peers, PwC offers its version for RISE with SAP ("Transcend with PwC") to plan, execute, and support the business transformation. The firm continues to invest in the full breadth of SAP capabilities, SAP S/4HANA assets, industry expertise, partner communities, talent, and globalization (building a global team, bringing global innovation leaders, working with alliances, etc.) to support the business transformation journey. To gain mindshare across the broader industry, PwC needs to double-click on marketing those capabilities.

## The Bottom Line: The complex nature of SAP legacy systems needs the right strategic partner to transform the business, and PwC has the domain knowledge and experience for a successful business transformation

For SAP clients aiming to redefine the whole ERP system, such as combining systems, cleaning, and integrating historical data into a single structure to transform the business, the PwC-SAP partnership has the right blend for a successful transformation. PwC's domain expertise, tax heritage, and solution capabilities combined with the SAP cloud platform and its advanced analytics feature bring actionable insight to the business. It not only yields tangible business outcomes but also optimizes and revamps the business processes that help the firm remain competitive. On the other hand, to be competitive PwC may have to consider increasing its focus on executing the client's vision, support clients to build business objectives if they don't have one, help them build business cases, and deliver it with outcome-based engagement.

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Martin Gabriel is an Associate Practice Leader at HFS, covering IT services, including the cloud, application modernization, and workplace services. Additionally, Martin covers the workflow platform ServiceNow and ERP Software SAP in detail. He also tracks and manages global outsourcing contracts in the IT/BPO services space and M&A activities.

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