SAP S4 PODCAST
VIDEO TRANSCRIPT

FRED HUDZINSKI: Our business is changing faster and faster and we can't see everything that's ahead of us. So we did this really to get ahead. What we had supported our business just fine. What we're doing is we're in this for the long haul and we want to make sure we're best prepared as our business continues to change.

CHRIS CRAWFORD: I'm Chris Crawford, part of the Accenture Internal IT organization and I'm glad to be here today with Dan Kirner, who's also part of the Internal IT organization and Fred Hudzinski, who's part of Accenture's Internal Finance organization where he is the Director of Strategic initiatives.

We're discussing Accenture's journey to intelligent finance with SAP S/4HANA. Thanks for joining me, guys.

FRED HUDZINSKI: Hey, great to be here, Chris, how are you doing?

CHRIS CRAWFORD: Fantastic. So let's get into it. Accenture, I know we've historically run the core financial processing on a single global instance of SAP. I remember when that went in and we usually run that on Microsoft SQL server in an on-prem data center. But we recently moved to S/4HANA. Fred, what's – I can understand some of the technical implications of that but, Fred, what are some of the reasons that Finance wanted to move to a new platform?

FRED HUDZINSKI: Well, Accenture's changed a lot over the years and we've become a much more diverse business. And because of that, we needed to operate with more insight, agility and efficiency across our multiple businesses and our multiple business processes. Both business

and IT capabilities now must contend with faster pace of change and growth and that drove our need to transform Accenture's technical architecture supporting Finance, HR and Analytics capabilities. Because of this, we undertook a multi-phased program to implement SAP S/4HANA version 16.10 and we did that convergent on a brownfield basis.

CHRIS CRAWFORD: So brownfield, you mean like we just upgraded our existing stuff or what's that mean?

FRED HUDZINSKI: Yeah, brownfield meaning that we took all of our data and we did a data conversion, so everything that we had in our old system, we took it, data converted it and we have it all there now and we can run our historical comparables all in the same place.

CHRIS CRAWFORD: Oh, I see, okay, yeah, versus a greenfield, I guess?

FRED HUDZINSKI: Yeah, exactly.

CHRIS CRAWFORD: For sure. Alright, well, I'm sure that this was key in this journey to intelligent finance which maybe I'll ask you to explain, what exactly do you guys mean by intelligent finance? And maybe you can hit some of the key steps along the way too, but what is intelligent finance for you?

FRED HUDZINSKI: Well, intelligent finance is really operating more with the business. So doing more automation, analyses and advising. So taking advantage of technology to get analytics, automation and things like that and becoming more of an advisor versus freeing up time from the more repetitive things.

CHRIS CRAWFORD: Not just closing the books and making sure 2 + 2 equals 4, but –

FRED HUDZINSKI: Yeah, exactly, being more value added.

CHRIS CRAWFORD: Got it. So how did we get there or what roles does SAP play here?

FRED HUDZINSKI: Well, we've started off by doing this – we're doing this in three phases. So our first phase was laying the technical foundation. When we migrated first to Business Suite on HANA and that took about six months. And that laid the foundation for our S/4HANA upgrade to enable transformation.

Our next phase, we started the transformational technology foundation with the implementation of S/4 version 16.10. We talked a little bit about the brownfield already, but we greatly value having all comparative historical data in SAP. So this was a route we wanted to take and also, we have been very good over the years, starting when we implemented SAP over 15 years ago now with making sure that we had global finance processes and everything was optimized, as well as our technical architecture. And because of this and due to our great need for comparative historical data, we decided to go with the brownfield conversion.

CHRIS CRAWFORD: Dan, I know that technology plays a key role here and it gets a lot of the press. You know, I'm glad to see that this is intelligent finance and not just the wrote stuff. I mean where were the tough parts in the technology that came in here?

DAN KIRNER: Yeah, I mean this is a new platform, right, and when we talked about we migrated to it, you know, it's not just a migration of data, it's a completely new data structure that we're going after that we had to bring everything into. And then, you know, like many companies that have SAP, it's the core of their systems that run their business, at least the back office systems I should say.

So we had 300 integrating systems, we had 30

bolt-ons and things like that. So we had to make sure that was all connected together in terms of solution and then also in terms of testing, capability and performance.

CHRIS CRAWFORD: I was just about to go there. The testing on this thing must have been incredible. I mean how do you do something like this that is core to the entire organization without bringing every other effort in the shop to a complete halt?

DAN KIRNER: Well, I think the first thing is from a governance standpoint, we made sure that we didn't have two moving balls or we tried to limit the number of moving balls that were going on. So that was clearly number one and that was a governance thing that we started out with. And then we used the Accenture methodology in more of an agile fashion. The new way we do it to drive both performance and capability items from end-to-end. And we really had what we call a fail fast approach. So convert the data over, full scale end-to-end, break it and then fix it quick. Know the risks immediately.

CHRIS CRAWFORD: That's nice. Dan, I got to say that it's the first time I've ever heard agile and SAP in the same paragraph, let alone the same sentence.

DAN KIRNER: You might be correct.

CHRIS CRAWFORD: But that's fantastic. I mean, yeah, that ability to do that, to get that testing out of the way and to not impact everything else is incredible.

You know, Fred, some of the benefits, I'm sure – I know and I've heard some of the story around the benefits here to hosting costs and whatnot, but what are some of the ones that you've seen, what's some of the benefits you see across the company?

FRED HUDZINSKI: Really, we're just really getting into our third phase with the benefits and that's going to allow us to take this flexible platform and to better support our diverse

businesses and then get into more real time reporting and, again, more about the analytics and robotics and automation and things like that and also the ability to leverage future SAP capabilities. So we're really just starting to touch on the value portion after getting the technical architecture sorted out.

CHRIS CRAWFORD: So in addition to some costs, I mean has the business shifted that much that we needed to move to this or was it more of a cost play here?

FRED HUDZINSKI: No, it's really about our business changing. If you think about us, you know, a lot of people thought of us 15 years ago and as a system integrator, you know, we still do that and it's important and it's part of our DNA and it's a great business, but we've gotten into more and more services, you know, getting different types of revenue streams, doing different services. We're a big digital agency now. It's really about that. It's supporting our business as it evolves and we've seen these changes and, you know, we know some of the changes going forward. We don't know all the changes. All we know is that our business is changing faster and faster and we can't see everything that's ahead of us. So we did this really to get ahead. What we had, supported our business just fine. What we're doing is we're in this for the long haul and we want to make sure we're best prepared as our business continues to change.

CHRIS CRAWFORD: Fantastic. I guess last question. Can you share any insights or what else, somebody who's undergoing this transformation or considering it, any insights that you could share with us that might be helpful for somebody else in a similar or contemplating this sort of move?

FRED HUDZINSKI: Dan talked a little bit about this, but I mean we being the business or finance in this case, we were joined at the hip with CIO. So going back two and a half years when we first started doing this, we were looking for what is the best thing to do for Accenture based on

our what is the best thing to do for Accenture based on our business changing? And we brought senior leadership into place from both Finance and CL and planned this and decided that S4 was the right thing for us and that a phased approach was appropriate. And we've had everybody lock step since we started this, including finance leadership, so that everybody knew what to expect and no surprises. And really one of the big things here is it can't be CIO driven. It's got to be the business that wants to do this as well and that's the way to make it work.

CHRIS CRAWFORD: Dan, you comfortable not being in the driver's seat, not being driven – project driven by CIO?

DAN KIRNER: I'm very comfortable. I mean we partner on all our stuff to go through it to make sure that we meet the needs and I think that's been the key to our success. You know, I would say in addition to what Fred said about the partnership, and you talked about this a little bit before, you know, looking to phase stuff through based on your business needs. Every company's different as you go through it and you got to have checkpoints to mitigate the risk and to make sure you achieve the outcome.

I think on the technical level, what we experienced is that this is a new platform, right, and many companies have, including us, have long histories on this platform, but you need to take that stuff that you've implemented and had perfected over the years. You need to optimize it on the new platform, whether that's core SAP related items or custom things that you've done.

And I think to add onto that there's also third party applications like AvertX or a BlackLine or the bolt-ons that we think about that we need to make sure that's optimized and those work fluently within the context of your business.

And I mentioned this before, you know, fail fast, right, in terms of getting things onto the system, running your end processes. In most cases, many companies have been on SAP.

We run SAP for 14 years. We highly leveraged our automated testing to really drive out the problems early, so that we could design around them.

And I would say, last but not least, Chris, really you got to partner with SAP on this. It's a new piece of software. It's getting out there. SAP was very helpful in helping us resolve issues that we couldn't resolve ourselves.

CHRIS CRAWFORD: Great points, Dan. Thank you, Fred. Thank you, Dan. And thanks for the audience joining us today on our discussion of the internal SAP S/4HANA implementation at Accenture.

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