

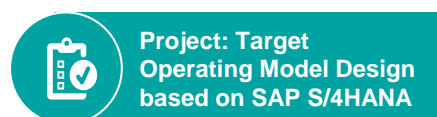
Case study: Target Operating Model Design based on SAP S/4HANA



Client: Medical Device Manufacturer



Industry: Medical Devices Manufacturing



Project: Target Operating Model Design based on SAP S/4HANA

Initial Situation



- Design of a program organization, rollout governance and handbook with global scope
- Design of a European target operating model based on SAP S/4HANA (principal-toller-agent model)
- Design of a new financial steering model
- Defining business blueprints and functional specifications for Swiss, Austrian and German entities, and across all key functional processes, such as O2C, P2P, warehousing, manufacturing and R2R
- Challenge: In 2019, the client decided to establish a new ERP environment by implementing SAP S/4HANA to replace the existing legacy system that will expire end of 2020
- New requirements on updated steering model for P&L structures across all regions and markets in scope
- Support business strategy to move to a logistics hub model and enable innovations by implementing SAP S/4HANA as company ERP system for efficiency, operational excellence and compliance requirements

Approach



- KPMG leveraged the “Powered Enterprise SAP” solution as best practice reference framework in order to accelerate the solution design
- KPMG was mandated to manage requirements of the business/countries and to prepare the implementation for all regions and countries by creating blueprints and specifications for ERP adjustments across all modules
- An accompanying KPMG Steering Model was key in ensuring the project’s success by creating a new reporting matrix with 30 KPIs for the CFO, a new P&L structure and new COPA analysis
- At the end of the design phase, the key deliverables were approved by the business stakeholders and handed over to a offshore technical implementation partner

Results & Client benefit



- A global program organization, governance and handbook ensuring the global rollout of the template across all regions, divisions and the corporate headquarter
- A new target operating model design based on SAP S/4HANA, covering key dimensions such as processes, service delivery, roles and technical design
- The new target operating model included the design of a complex intercompany service delivery model across 3 European countries (principal-toller-agent model)
- Business approved blueprints, process and SAP configuration documentation (including custom development elements), ready to be handed over to so realization to offshore technical partner
- A new Steering Model including P&L design for Finance/Controlling