Finance-driven S/4HANA Transformation

SCHOTT AG implements strategic SAP S/4HANA Innovation Project

NEXT ONE

cbs Success Story

SCHOTT

About SCHOTT AG

SCHOTT is one of the world's leading manufacturers in the field of specialty glass, glass ceramics and other high-tech materials. The technology group employs around 17,300 people from 96 nations and operates in more than 30 locations worldwide with headquarters in Mainz, Germany. Among other things, the Group manufactures billions of glass ampoules for vaccines. SCHOTT is a globally respected partner for high-tech industries such as healthcare, consumer electronics, semiconductors for data communications, optics, energy, automotive, home appliances, housing, and aerospace. SCHOTT employs 600 engineers and developers who form a worldwide research network. In fiscal year 2021, the group generated sales of billions 2,5 of euros.

A globally standardized finance and controlling platform

SCHOTT was still working functionally in classic general ledger accounting with partly different fiscal year variants. The goal was to implement a globally standardized finance and controlling platform with harmonized and standardized processes; to create uniform, overarching structures in the sense of a modern ONE Finance concept, globally, across all corporate units. All of this became the main driver for the decision to move to SAP S/4HANA with Selective Data Transition.

"We have implemented everything that belongs to such a concept: We have switched from classic general ledger accounting to New G/L, mapped parallel accounting in the process and standardized our fiscal year variants in the leading ledger. In addition, our chart of accounts was harmonized with all master data, the business partners were implemented, the new asset accounting was introduced, and everything was harmonized in the asset accounting as far as valuation areas are concerned," explains Thomas Schoening, Vice President Finance at SCHOTT.

Other pioneering topics:

Reconciliation of the imputed P&L statement with the accounting one (CO-PA), the so-called margin analysis. This now makes it possible to create significantly better customer earnings statements.

Thanks to the parallel valuation via the Material Ledger, the material stock values can be managed in two additional valuation views in the SAP system.

ONE Finance on SAP S/4HANA enables agile group management

SCHOTT has now completely repositioned their finance organization. The comprehensive digitization project makes it possible to implement agile corporate management throughout. This allows the technology group to quickly shift its focus even in times of crisis, for example, from growth-oriented evaluations to strict cash and cost management.

- faster financial statements
- optimized and individualized reporting system
- operational speed due to real-time insights enables:
    - better customer service
    - faster quotes
    - data-driven decision-making
    - better forecasts
    - optimized profitability

Innovations across the entire value chain

Global market leaders from the manufacturing industry think in innovation-oriented ways and try to constantly improve their process world. The goal: To become more efficient, more resilient, more profitable, and more sustainable in the long term.

The finance division was the driver of the group-wide innovation project, but SCHOTT did not stop at finance. On the contrary, the global player recognized the huge potential of the selective approach early on and implemented selective innovations across all business units that paid off on the digitization strategy and offered real added value.

- SAP Fiori mobile user interface
- new authorization concept
- modern warehouse management with SAP EWM
- MRP Areas with independent material requirements planning
- plant-wide overall planning
- introduction of Settlement Management
- optimizations in the intercompany process
- switch to the SAP Engineering Control Center (ECTR) as a strategic integration platform and link between the technical development department and company-wide processes.

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Andreas Beeres
CIO

The technology group **SCHOTT AG** is the new S4HANA Migration Champion. **cbs Managing Director Holger Scheel** (on the right) presented the coveted trophy to **CIO Andreas Beeres.**

Speaking of innovations: "We are continuing directly after the S/4 implementation and are driving digitization forward. We now have an optimal starting position. With the setup implemented, our company can tie in with all of SAP's subsequent developments and is state-of-the-art at all times. We see a real innovation advantage over other companies," explains CIO Andreas Beeres.

Added value through Selective Data-Transition

At the beginning of the project, those responsible at SCHOTT asked themselves an important question: Which transformation approach would fit best? CIO Andreas Beeres provides insights into the considerations:

"We wanted to implement numerous innovations. The first thought was therefore to develop a completely new process and system landscape on a greenfield site. But: What would a greenfield approach have meant - with this huge scope, the new financial concept, restructurings of this complexity and the requirement for a global rollout?"

The changeover would have had to run in waves as a template build and rollout over several years. That would have meant an x-fold increase in costs. Plus, an overwhelming amount of training.

"We would have lost a lot of time and taken on the risk of a major project that was difficult to manage. Total run time of at least eight years. In addition, we would have delayed important innovations. What sense does it make to wait until ten years from now to make available a digitization platform that we want to use to our competitive advantage as quickly as possible?"

Andreas Beeres
CIO

SCHOTT decided on a holistic selective approach: Global standardization, data harmonization and digitization of processes, without sacrificing comprehensive innovations. The selective project approach as a key business enabler of digital transformation. It is only through this approach that a project as ambitious as the one at SCHOTT becomes feasible in terms of business management, realizable in terms of content, and technically possible at all.

"It's all about taking advantage of the opportunities. Here, with Selective Data Transition, we have implemented everything that many industrial companies with a Greenfield approach dream of."


Sebastian Hellmann
Consulting Director cbs

Software cbs ET Enterprise Transformer as a guarantee for success

The cbs ET Enterprise Transformer as comprehensive standard software for holistic SAP data transformation was the driving force and guarantor of success. This ensured that during the migration the selective transformation approach worked technically whilst maintaining maximum continuity. The conversion of the 84 company codes, 6,300 tables and more than 12 billion data records was carried out minimally invasively within a few hours in a near-zero downtime approach, with no business disruption, for all units in one step.

cbs Enterprise Transformer SAP S/4HANA
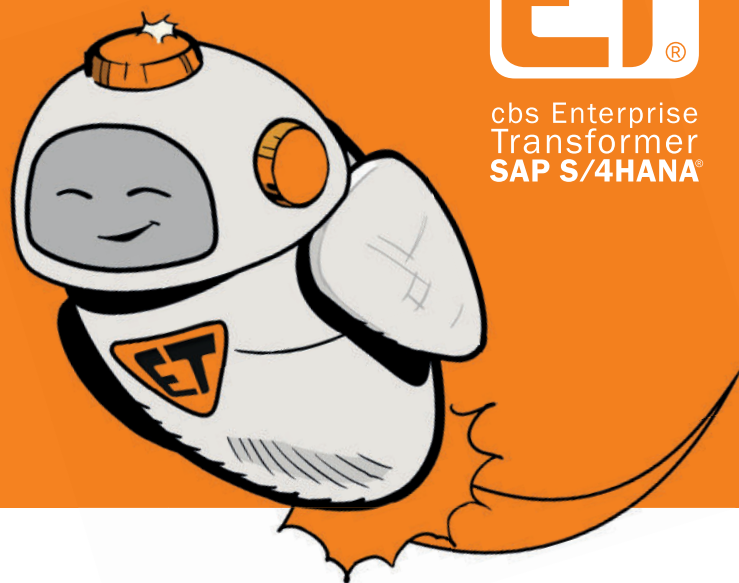
A strategic corporate project

"I am proud of everyone involved. In an unbeatably short time, we have built a completely new, state-of-the-art future platform that is second to none. With the smooth transition to S/4HANA, we are reaching the next level of digital enterprise and process control. This puts us in a pioneering position in the market, which we intend to use to expand our market position", summarizes Dr. Frank Heinricht, Chairman of the Board of Management at SCHOTT.

The keys to success? Certainly, the selective approach was critical, but other factors should also be mentioned. First, communication and cooperation. Christian Brantl: "Early involvement of all levels on the business side, from the board to the employees who are to participate in the project, is elementary." The management level recognized early on what was at stake.
"Such a comprehensive digital transformation is not a pure IT project, but a strategic corporate project. That is why SCHOTT said is immediately brought the business units, the global functions and end users on board," says CIO Beeres.

Testing was also very important. SCHOTT installed a global test management team with five experts. Here, company departments had to be networked and business functions integrated. "It really pays to have experienced test managers on site," project manager Brantl knows. "We had a total of 10,000 test cases at 34 locations worldwide - that can't be implemented from a central organization at headquarters."

Dr. Frank Heinricht
Chairman of the Board of Management at SCHOTT
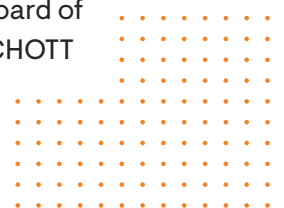
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