



Gebr. Heinemann
Gegründet 1879

Transforming Custom Code to S/4HANA

VNSG Focus Online 2023

04.10.2023





SAP S4HANA Migration Project

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AGENDA

- 01 About Gebr. Heinemann
- 02 IT Application Landscape & S/4HANA Approach
- 03 The Custom Code Challenge
- 04 Intelligent Custom Code Automation
- 05 Intelligent Automation in Action
- 06 Q&A

01

ABOUT GBR. HEINEMANN

Max Heinemann, Co-CEO and Owner



We turn travel time into valuable time as the most human-centric company in global travel retail.



The Only Family-Owned and Run Business in Global Travel Retail

Governed by Shareholders and Not by Financial Market–Sourced Capital



Claus Heinemann

Max Heinemann

Gunnar Heinemann

A Diverse Business Model across Different Regions and Sales Channels

Two Pillars of Retail and Wholesale



Back to Pre-crisis Profitability with an 81% Year-on-Year Increase in Turnover

Facts and Figures

Pre-crisis Profitability



81% increase in turnover from 2.1 billion euros to 3.8 billion euros

Top 3 Locations and Joint Ventures

-  **Istanbul (Turkey)**
-  **Tel Aviv (Israel)**
-  **Oslo (Norway)**

Global Travel Retail

A strong **global** approach

Europe 58%
Middle East Africa 36%
Asia Pacific 4%
The Americas 2%



Impressive Employees Worldwide

7,344 employees
of more than
50 nationalities



The Right Mix Makes All the Difference

Spectacular Sales Experience

- We drive innovation to improve the customer experience in travel retail
- The teams of the Sales Experience and Excellence department are organized on a project- and product-specific basis to ensure market proximity and flexibility
- Innovation is created in the interaction between the architecture of our shops, category experience, and sales experience

Sales Experience and Excellence



Lighthouse Project: Istanbul Airport

Leading Terminal and Shop Design

- Development of a **terminal masterplan** for the complete “**inner life**“ of the terminal
- Voted “**The World’s Best Airport Shopping and Most Family-Friendly Airport**”
- The central marketplace and luxury area is as **big as a FIFA soccer field**
- Travelers get the feeling of **being in a luxurious shopping center**
- **Impressive combination** of modern airport and luxurious shopping center



Striving to Be a Role Model in Assuming Social and Ecological Responsibility

Four Fields of Action in Our Holistic Corporate Responsibility Strategy



02

IT APPLICATION LANDSCAPE ...

... and S/4HANA Approach

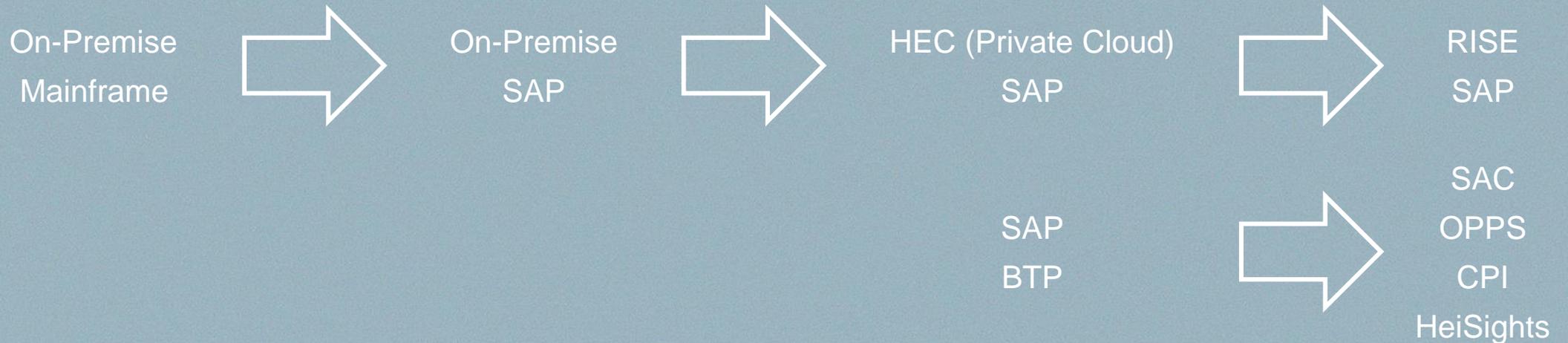
IT History

SAP and beyond

144 years Gebr. Heinemann means, roughly 114 years no IT at all

15 years IT w/ o SAP

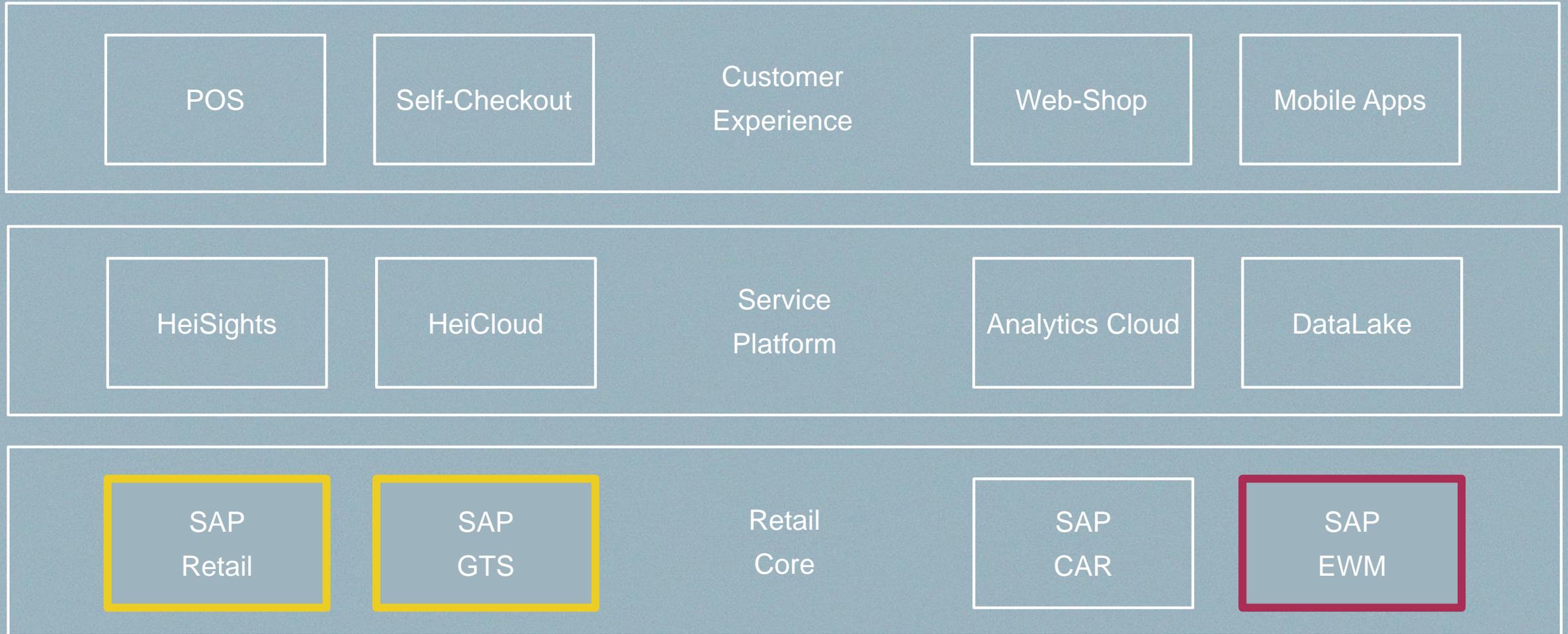
15 years IT with SAP



IT Application Landscape

Overview (Excerpt)

— S4 Migration
— ECS + S4 Migration



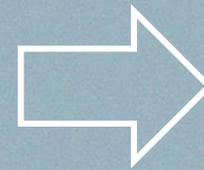
S/4HANA Migration Facts

Scope



We ensure our IT becomes future-proof by moving our Retail Core to S4HANA.

This is our primary priority! Optimization and re-design follow after the renewed platform.

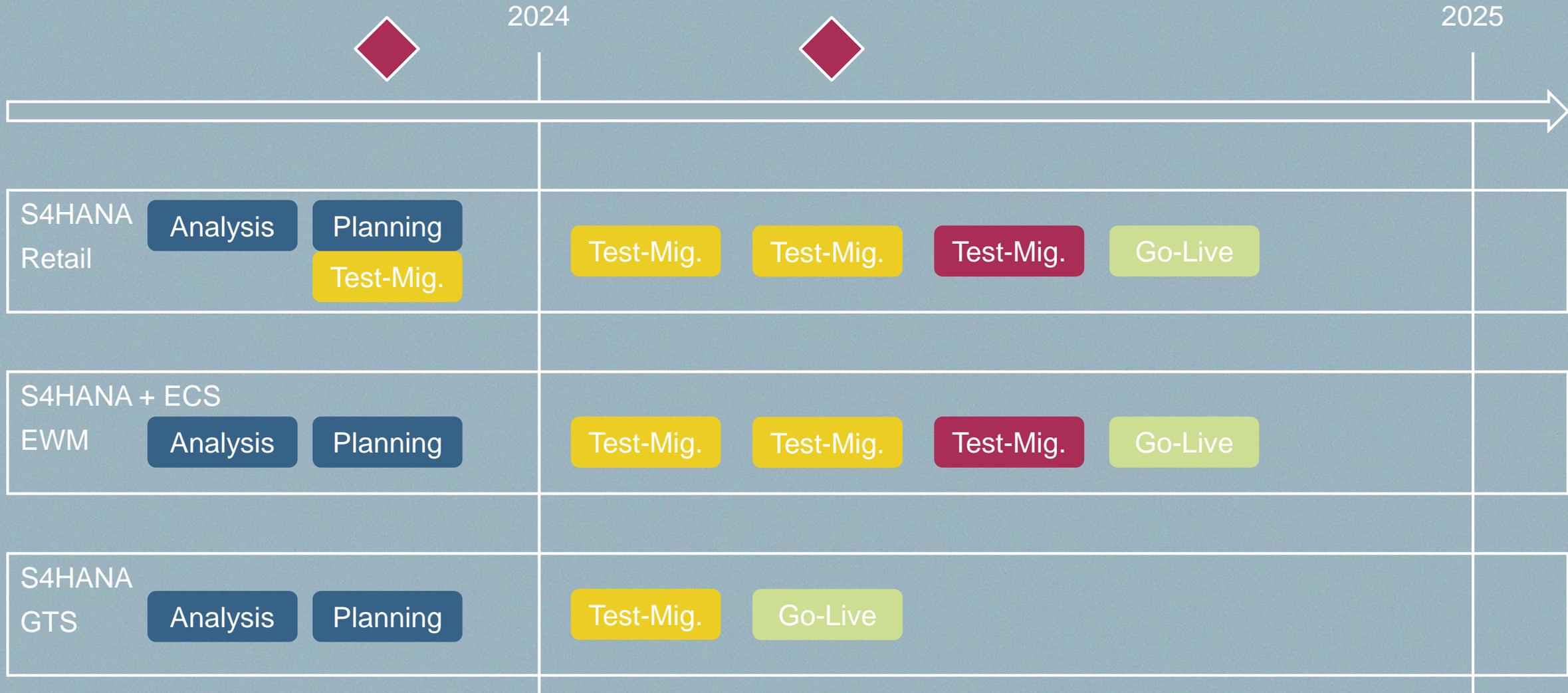


- We continue to use the SAP GUI where possible
- We only fix errors where possible
- We continue to use the existing processes where possible
- We don't re-design
- We don't extend
- We are fast
- We control the costs

S4HANA Migration Facts

Timeline (High-Level)

 smartShift
Custom Code Transformation

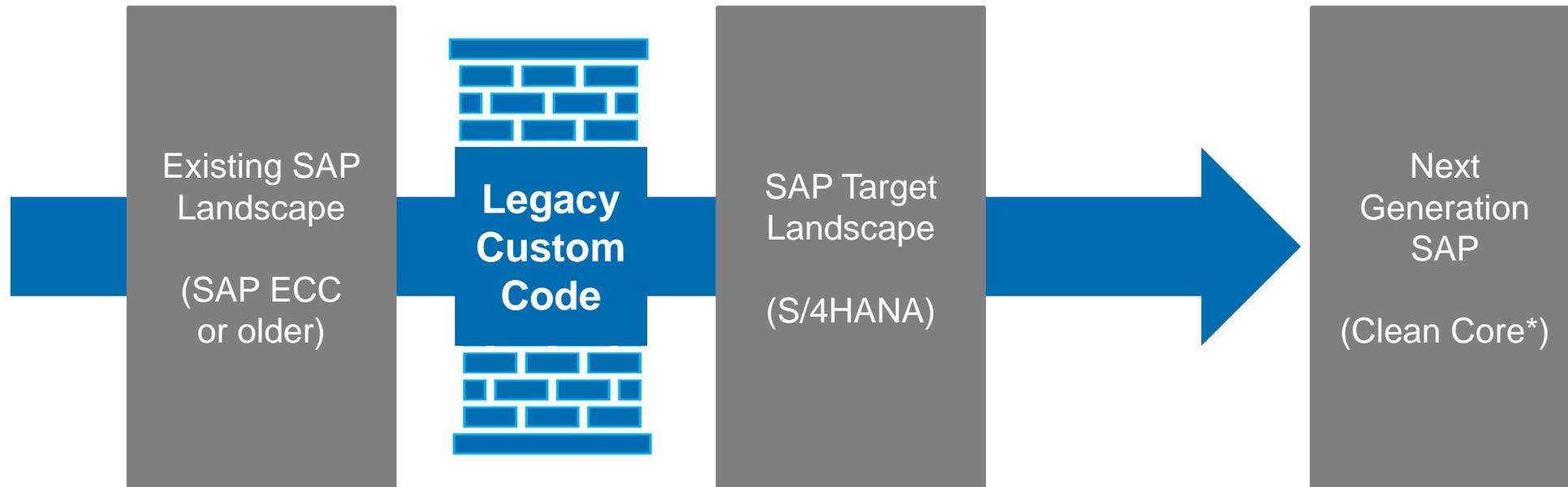


03

THE CUSTOM CODE CHALLENGE

SAP Modernization – The Promise

From the Monolith to Clean Core



***Clean Core:** The “clean core” is a concept to achieve modern, flexible and cloud-compliant ERPs. Clean Core is achieved by integration and extending a system in a way that is cloud compliant, with master data and business process governance. From a custom code perspective, Clean core is a design principle for extensions that are fully based on released objects and public APIs and extension points. Clean core extensions are cloud-ready and upgrade stable.

Custom Code – The Challenge

Gebr. Heinemann SAP Retail System

System Established 15+ Years Ago

52.259
Custom Objects

2,3M
Lines of Custom Code

Change Impact S/4HANA

10.028
S/4HANA Issues

2.110
HANA Issues*

Technical Debt

7.935
HANA Performance

19.671
ABAP Cloud

16.040
ABAP Best Practice

678
Runtime / Performance



Hard to maintain and extend



Hard to modernize



Stability problems



Performance problems



Security problems



Slow Innovation

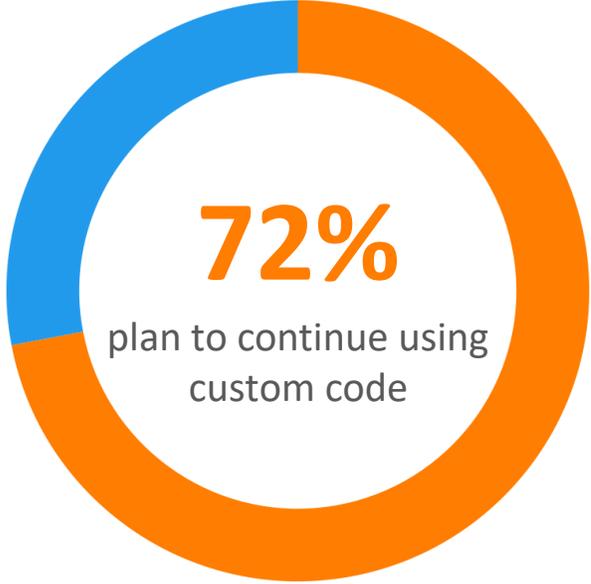


Higher TCO

*New Issues introduced since HANA Migration in 2020; In 2020, 6.711 HANA Code Compliance Issues resolved, and 17.168 HANA Performance Issues resolved

Custom code is an essential element of current systems

Why Organizations Need Custom Code						
56%	44%	37%	35%	31%	21%	20%
Industry specifics not covered by SAP Standard	Necessary to connect systems	Necessary due to regulatory requirements	Reporting/ analytics requirements of the Business	Essential due to localization or different geographics	To be able to innovate	To have a competitive advantage



Source: smartShift/ASUG Market Research

Q. In your opinion, why does your organization need custom code? (Please select all that apply.)

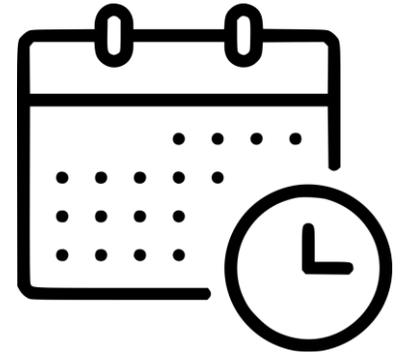
Q. As your organization moves forward with SAP S/4HANA or other SAP system upgrades, how will your organization’s custom code be handled? (Please select all that apply.) (n=177)

04

INTELLIGENT CUSTOM CODE AUTOMATION

Conventional approach to handling custom code

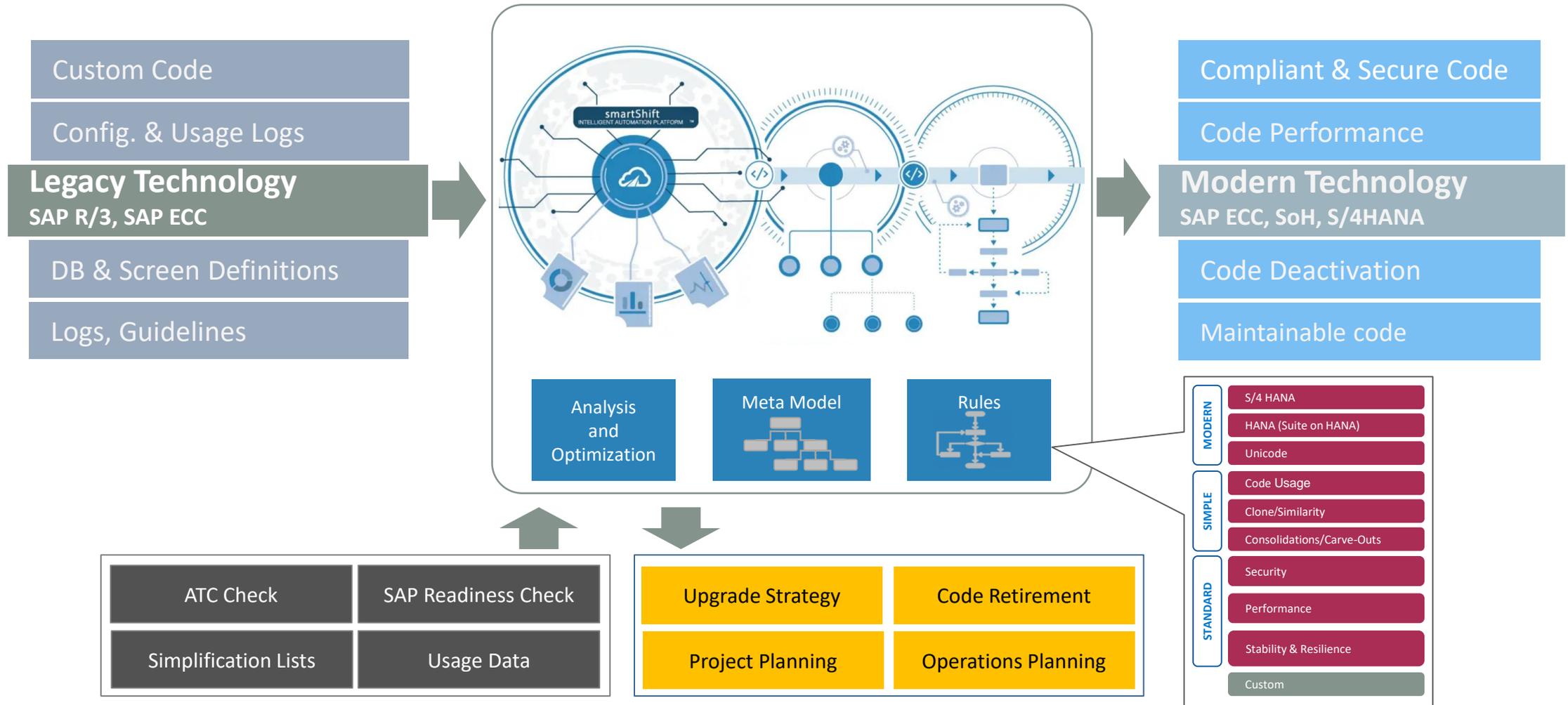
Manual remediation with tool support is labor-intensive, time-consuming and risky



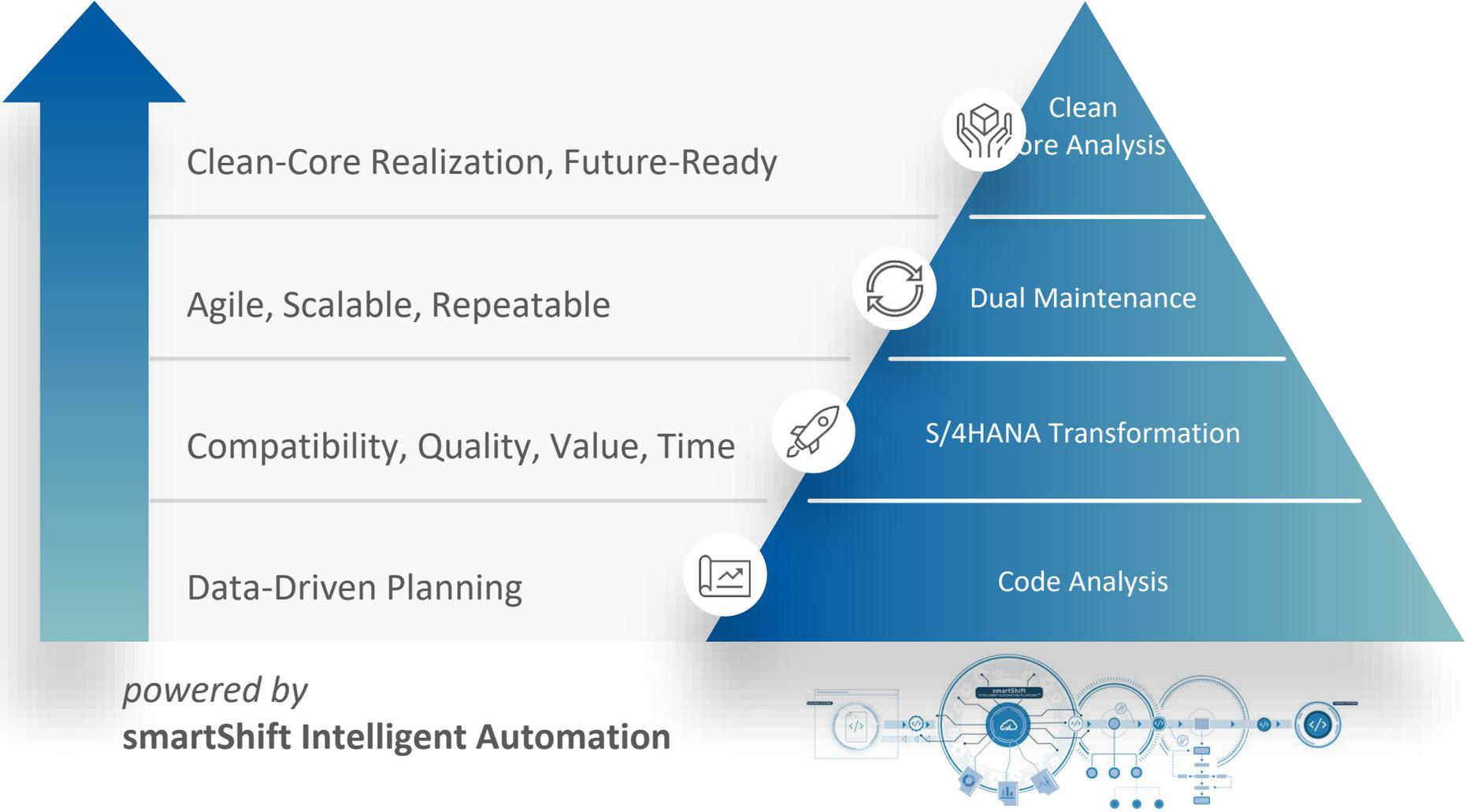
...and it only scratches the surface

smartShift Intelligent Automation Platform

Increased quality, performance and agility through intelligent, configurable automation



smartShift – Custom Code Solution Continuum



Automation Opens up New Options

Custom Code Transformation

Speed

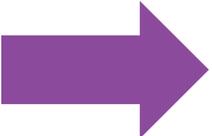
Accelerate the transformation process by reducing manual remediation

Confidence

Enhance the overall quality, security, and stability of transformed code

Productivity

Eliminate the need for business disruption



Clean Core Modernization

Innovation

Modernize the system to be more flexible, scalable, and agile

Today

Future

05

INTELLIGENT AUTOMATION IN ACTION

A successful partnership since 2013

Speed, Confidence, Productivity through Automation

Gebr. Heinemann S/4HANA

S/4HANA Sandbox 2023

- **Fully** transformed S/4HANA Sandbox
- **5 weeks** transformation timeline (incl. Q&A)
- **4.137 S/HANA** issues resolved
- **Functional Redesign** Issues identified
- **2.110** new **HCC** issues resolved
- **7.935** new **HPO** issues resolved
- **19.671 ABAP Cloud** issues resolved
- **16.040 ABAP Best Practice** issues resolved
- **678 Runtime / Performance** issues resolved

S/4HANA 2024 onwards

- Development System Conversion
- Dual Maintenance Support
- Test, Go-live, Stabilization Support

Benefits for Gebr. Heinemann

1. Fully transformed Sandbox helps to identify functional redesign areas (e.g., beverage solution) early in the project
2. Comprehensive transformation of all HANA and S/4HANA issues (no focus on P1 / P2), no functional "surprises" in production
3. Addressing Performance proactively helps to prevent problems in production
4. "Shift left" of required transformation for a Clean Core (ABAP Cloud, ABAP Modernization)
5. Gebr. Heinemann team freed up, allowing them to focus on functional work and innovation
6. Reduced freeze times through shorter transformation timelines and automated dual maintenance, less problems in testing
7. Reduced Risk through guaranteed timelines and quality

06

Q&A

Next Steps

Test drive our analysis capabilities

A free custom code health check to gain insight into your SAP modernization roadmap

