

Phase zero

The foundation for SAP S/4HANA success



Introduction

SAP S/4HANA represents much more than an ERP upgrade. For many organisations, it is the catalyst for redesigning processes, simplifying complex application landscapes, improving data quality, enabling automation and creating a truly digital core from which future innovation can scale.

Yet despite the potential benefits, many transformation programmes struggle not because of technology challenges but because preparation starts too late.

Before the SAP Activate methodology enters its formal preparation and implementation phases, organisations should undertake what many transformation leaders refer to as Phase Zero: a structured pre-project engagement focused on strategy, readiness, scope and business alignment.

“SAP's Activate framework begins with the Discover phase, where organisations evaluate business value, assess readiness, understand solution capabilities and establish transformation objectives. Successful organisations extend this thinking through a dedicated Phase Zero programme to build consensus, remove uncertainty and create a realistic delivery roadmap”,



Shameera Weerasinghe,
Functional Consultant, TCT.

This guide outlines the key activities every organisation should complete before launching a Digital Core programme.

Why phase zero matters

The pressure to move quickly is understandable. SAP ECC support deadlines, rising operational costs, increasing business demands, and the need for better analytics can all create urgency to launch an S/4HANA programme.

However, organisations that rush into implementation often encounter common challenges:

Undefined business objectives

Poor data quality

Unclear ownership and governance

Excessive customisation requirements

Scope expansion

Underestimated change impacts

Misalignment between business and IT teams

A well-executed Phase Zero helps organisations answer critical questions before major investment decisions are made:

Why are we transforming?

What business outcomes are we targeting?

How ready are our people, processes and systems?

What should our future Digital Core look like?

What transformation approach is right for us?

Answering these questions early significantly improves programme confidence, governance and delivery success.

The six pillars of an effective phase zero

1. Business strategy alignment

Digital Core programmes should always be driven by business outcomes, not technology objectives. The first step is establishing agreement among executive stakeholders on:

Strategic priorities
Growth objectives
Operational challenges
Compliance requirements
Customer and employee experience goals

A successful S/4HANA programme must support measurable business outcomes such as:

Improved forecasting accuracy
Faster financial close
Increased supply chain visibility
Reduced operational costs
Greater organisational agility

The technology roadmap should follow the business strategy, never the other way around.

2. Current-state assessment

Before defining the future state, organisations need a clear understanding of today's environment. This assessment typically examines:

Process landscape
Process inefficiencies
Manual workarounds
Process variations across regions or business units
Application landscape
SAP and non-SAP integrations
Legacy systems
Custom developments
Technical debt
Data landscape
Master data quality
Data ownership

Migration complexity

Reporting challenges

SAP's Discover phase encourages organisations to develop visibility into business processes and existing architecture before defining transformation strategies.

3. Define the transformation approach

Not every organisation should take the same path to S/4HANA. Phase Zero should evaluate the most suitable approach:

Greenfield

A new implementation designed around standard SAP best practices. Ideal for organisations seeking significant process transformation.

Brownfield

System conversion preserving existing processes and configurations. Often selected where business disruption must be minimised.

Selective transformation

A hybrid approach combining process improvement with selective migration. The right choice depends on business goals, current landscape complexity, compliance considerations and appetite for change.

4. Data readiness and governance

Data is often the single greatest determinant of transformation success. Many organisations underestimate:

Duplicate records

Poor data governance

Inconsistent master data

Historical data quality issues

Phase Zero should include:

Data health assessment

Evaluating the quality of master and transactional data

Governance framework

Defining ownership, stewardship and accountability

Migration strategy

Determining what data should migrate, archive or retire

Strong governance established early prevents costly remediation later in the programme.

5. Organisational readiness

Technology implementation is only one aspect of transformation. Success depends on how effectively people adopt new processes, tools and ways of working.

Organisational readiness activities should evaluate:

Executive sponsorship

Stakeholder alignment

Resource availability

Skills and capability gaps

Change readiness

“SAP emphasises strong stakeholder engagement, governance structures and early alignment as critical transformation enablers”



Carl Norris,
Senior Solutions Architect, TCT.

A realistic understanding of organisational capacity helps reduce delivery risks and supports smoother adoption.

6. Future-state vision and roadmap

The final output of Phase Zero should be a clearly defined roadmap. This roadmap should include:

Transformation vision
High-level architecture
Business case
Delivery approach
Timeline assumptions
Programme governance model

Risk assessment
Value realisation framework

SAP's Discover process highlights the importance of developing both a value case and high-level transformation roadmap before implementation begins.

The phase zero deliverables checklist

Kim Morrow, Digital Supply Chain Lead at TCT, gives you her essential phase zero checklist

- Agreed business objectives
- Executive sponsorship and governance
- Current-state assessment
- Future-state Digital Core vision
- Transformation approach recommendation
- Data readiness assessment
- Change readiness assessment
- Initial business case
- High-level delivery roadmap
- Programme mobilisation plan



Kim Morrow,
Digital Supply Chain Lead at TCT,

How TCT helps

At TCT, we help organisations establish the right foundations before implementation begins. Our Digital Core Phase Zero engagement combines business consulting, SAP expertise, architecture assessment and transformation planning to provide a clear path forward. We help organisations:

Define transformation objectives

Assess readiness across people, process, technology and data

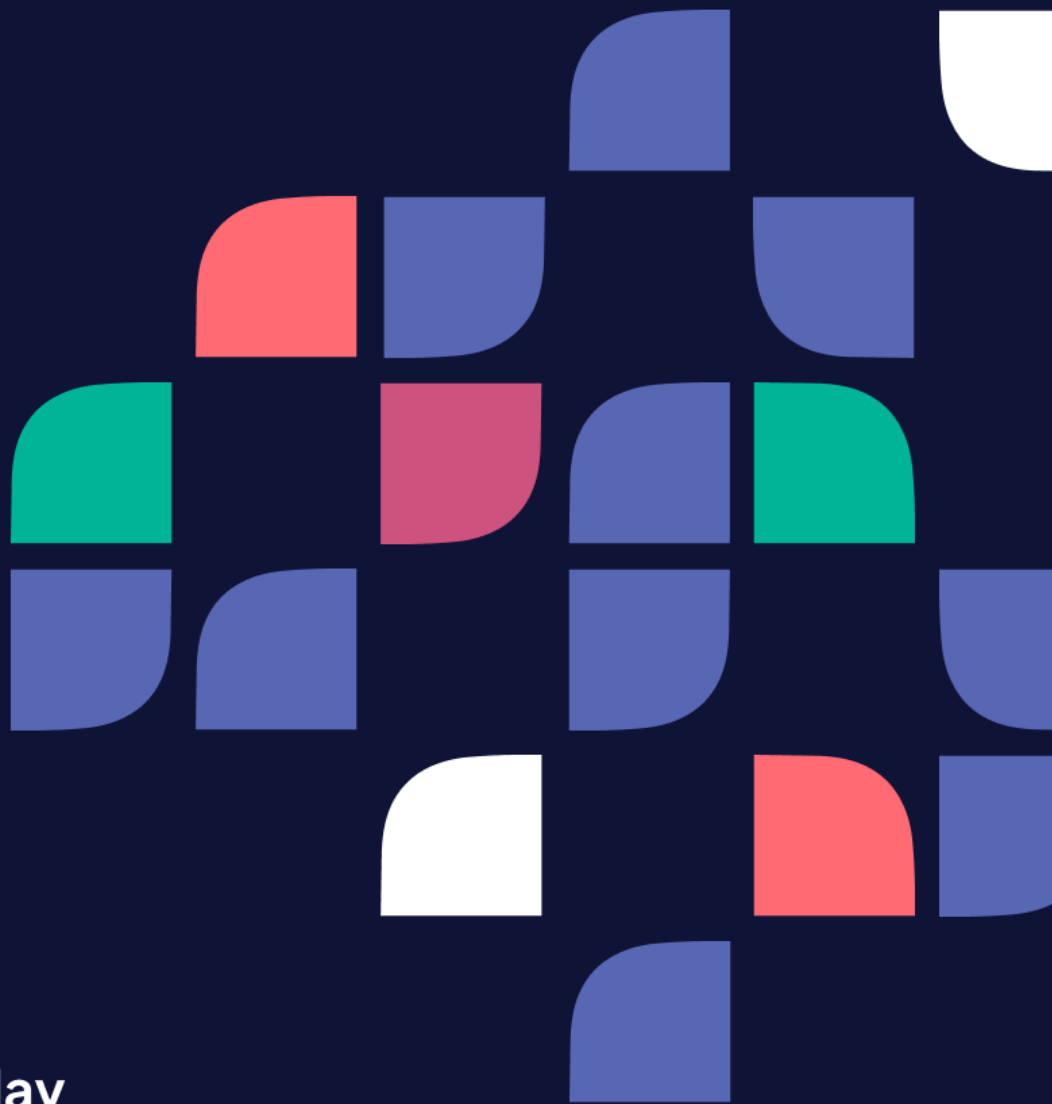
Evaluate S/4HANA migration options

Identify risks and opportunities

Create practical, value-focused roadmaps

Build executive confidence for programme approval

By investing time in preparation, organisations enter implementation with greater clarity, stronger stakeholder alignment and a significantly higher likelihood of programme success. Ready to build the right foundation? Every successful SAP S/4HANA programme begins with a well-defined Phase Zero.



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