

Brewing a Digital Core for Growth: SAP ECC to SAP S/4HANA Transformation

INDUSTRY



Consumer Products

PRODUCTS AND SERVICES



Coffee, Tea, and
Ready-to-Drink Beverages

BUSINESS TRANSFORMATION STORY & BUSINESS CHALLENGE

The client is a large, privately held coffee company with a strong heritage brand and a national distribution footprint spanning retail, eCommerce, convenience, and food service channels. As the business expanded beyond its traditional retail roots, it evolved into a complex, multi-channel operating model with a broader product portfolio and more diverse fulfillment methods.

This growth placed strain on its legacy SAP ECC environment, which had been heavily customized over two decades. The system became increasingly difficult to maintain, with rising technical debt, fragmented processes, inconsistent data, and a heavy reliance on manual workarounds and bolt-on solutions. These challenges limited the company's ability to scale, support new business models, and respond quickly to market changes.

The client engaged Clarkston to help modernize its ERP landscape, migrating to SAP S/4HANA for improved process standardization and data reliability and establishing a more scalable, integrated technology foundation aligned to its continued growth.

PRIMARY OBJECTIVES

- Replace a highly customized, aging ECC environment with S/4HANA to create a more stable, scalable core aligned to future digital growth
- Reduce technical debt by eliminating unnecessary customizations, rationalizing integrations, and consolidating systems to improve maintainability, performance, and total cost of ownership
- Reassess and redesign end-to-end processes across finance, supply chain, manufacturing, procurement, and sales, leveraging SAP best practices
- Improve data quality and visibility through a unified data model and embedded analytics, enabling faster and more informed decision-making
- Enhance system capabilities to better support complex operations across retail, direct store delivery (DSD), eCommerce, and food service channels, with more integrated and flexible processes
- Minimize reliance on manual processes and disconnected systems by automating key workflows and integrating core business functions
- Create a scalable platform to support future capabilities such as AI, advanced planning, trade management, and expanded analytics without requiring significant rework of the core system

SOLUTION

- Implemented S/4HANA as the core ERP platform to replace legacy ECC and establish a modern, integrated foundation across finance, supply chain, manufacturing, procurement, and sales
- Applied SAP Activate and a fit-to-standard approach to redesign core business processes, aligning to SAP best practices while selectively retaining critical capabilities across:
 - Record-to-Report (Finance & Controlling)
 - Order-to-Cash (Sales & Distribution)
 - Procure-to-Pay (Procurement)
 - Plan-to-Produce (Manufacturing)
 - Extended Warehouse Management (EWM) & Transportation Management (TM)
- Enabled core S/4HANA functionality - supporting inventory and warehouse management, transportation and logistics execution, production planning and manufacturing operations, and plant maintenance - to replace fragmented processes with more standardized, integrated workflows
- Designed and executed a comprehensive data migration strategy from ECC to S/4HANA, including data cleansing, harmonization, and validation to improve data quality and support a single source of truth
- Integrated S/4HANA with key external and third-party systems (*e.g., planning tools, CRM, DSD applications, and other operational platforms*), enabling a more connected and scalable application landscape
- Leveraged S/4HANA's embedded analytics and reporting capabilities to improve real-time visibility into financial and operational performance, reducing reliance on manual reporting and disconnected tools
- Implemented a comprehensive OCM and training program to support adoption, including stakeholder alignment, communication planning, training strategy, and end-user enablement



KEY BENEFITS

- Transitioned from a highly customized legacy ECC environment to a more standardized S/4HANA platform, reducing technical complexity while creating a scalable foundation
- Re-designed end-to-end processes using a fit-to-standard approach, reducing manual workarounds while improving consistency, strengthening cross-functional alignment, and reducing process variability across operations
- Established a more unified data model with embedded analytics, enabling near real-time visibility into performance while improving both the speed and quality of decision-making across leadership and functional teams
- Decommissioned legacy customizations and rationalized the system landscape, lowering ongoing maintenance costs and reducing reliance on niche technical skillsets required to support heavily customized ECC environments
- Enabled the business to better support multi-channel operations through more flexible and integrated processes, positioning the organization to respond more quickly to evolving market demands

KPIs

- Increased visibility into customer profitability
- Reduced multiple shipping processes to allow for automated processes and decreased costs
- Increased field service sales, efficiency, and response times
- Eliminated manual processes (*spreadsheets*) in the Finance area (*automated best practices*), leading to a faster financial close and better reporting capabilities
- Increased visibility through the manufacturing processes and batch traceability