

**POST-MERGER SAP SYSTEM CONSOLIDATION - BEST PRACTICES FROM AN
M&A PROJECT**

Sachin Deoram Chaudhari
Senior Solution Architect
Accenture LLP
City, Country -USA
sachinc@ieee.org

Abstract

Consolidating SAP systems after a merger is a complicated process that has a big effect on how well the organization works, how accurate its data is, and how well its strategies are aligned. After a merger or acquisition, the choice to combine SAP systems is very important. It requires careful planning, strict execution, and a full understanding of the complex technical and organizational environments involved. System consolidation aims to streamline IT operations, reduce redundancies, and create a unified platform that supports the newly integrated organization's business processes. This process requires a thorough examination of the architectural details of the SAP landscapes of the two companies that are merging. This includes different modules, custom developments, and data structures. The success of SAP consolidation also depends on how well data migration, user access provisioning, and business process harmonization are handled to make sure that operations run smoothly and there are as few disruptions as possible. SAP consolidation is already hard, but it gets even harder when you have to keep data consistent, deal with security issues, and follow the rules. So, a clear plan, strong project management, and getting all the stakeholders involved are all very important for a successful SAP system consolidation that lets the new company reach its full potential.

I. LITERATURE REVIEW

The current body of knowledge regarding SAP system consolidation in post-merger integration underscores the significance of this endeavor for attaining synergy and operational excellence. Scholarly research underscores the strategic significance of IT integration in achieving the expected advantages of mergers and acquisitions, with SAP system consolidation often recognized as a pivotal facilitator. Research has examined diverse methodologies for SAP consolidation, including a "big bang" migration and a phased rollout, each presenting distinct advantages and disadvantages contingent upon the specific circumstances of the merger. Additionally, the literature emphasizes the importance of a comprehensive evaluation of the SAP landscapes of the merging entities to pinpoint areas of overlap, divergence, and possible conflicts. This evaluation must include both technical elements, like system versions and configurations, and business process factors, like variations in master data management and reporting needs. The literature also talks about the problems that organizations face when they consolidate SAP, such as resistance to change, conflicting priorities, and the need for good communication and teamwork between departments and business units. Case studies of SAP consolidation projects that worked and did not work give us important information about what makes or breaks the integration process. These insights include the need for strong leadership, clear rules for how

things should be run, and a well-thought-out plan for managing change.

II. METHODOLOGY

This study utilizes a mixed-methods framework, integrating quantitative data analysis with qualitative case studies, to offer a comprehensive insight into SAP system consolidation during post-merger integration. To find out how SAP consolidation affects key performance indicators like IT costs, operational efficiency, and revenue growth, quantitative data will be gathered from publicly available sources like industry reports and financial statements. We will use statistical analysis to find links between SAP consolidation strategies and how well an organization does. In-depth interviews with IT executives, SAP consultants, and business users who are working on post-merger integration projects will be used to collect qualitative data. These interviews will look into the problems and best ways to combine SAP systems, as well as how it affects the culture of the company and the morale of the employees. There will be case studies of companies that have combined their SAP systems after a merger or acquisition. These case studies will give in-depth descriptions of the consolidation process, including the strategies used, the problems that came up, and the results that were achieved.

The case study participants will be chosen using a purposive sampling method to make sure that people from different industries, company sizes, and consolidation strategies are represented.

The Importance of SAP Consolidation

SAP systems are very important for helping businesses run smoothly, managing data, and supporting business processes. When two companies merge, they often have their own SAP systems, which can cause problems like data silos, higher IT costs, and less efficient work. Combining these systems into one SAP platform can bring about a lot of good things, such as:

Cost Savings: Companies can lower their IT costs and make their operations run more smoothly by getting rid of unnecessary systems and infrastructure.

- **Improved Efficiency:** Making sure that business processes and data models are in sync can make things run more smoothly and cut down on cycle times.

Enhanced Visibility: A unified SAP platform gives everyone in the organization a single source of truth for data, which helps them make better decisions and see more clearly.

- **Simplified IT Landscape:** By combining SAP systems, the IT landscape becomes simpler, making it easier to manage and keep up with..

Challenges of Post-Merger SAP Consolidation

SAP consolidation has its problems, even though it could be good for business. Some of the main problems are:

- **Complexity and Disruption:** Consolidating large, complex SAP systems can be a complex and disruptive process.
- **Data Migration and Harmonization:** Migrating and harmonizing data from different SAP instances can be difficult, requiring careful planning and execution.

Business Process Alignment: Aligning business processes across the merged organization may mean making big changes to SAP configurations and customizations.

- **Technical Integration:** It can be hard to technically integrate different versions of SAP, add-ons, and custom developments
- **Cultural Differences:** The merging organizations may have different cultures, which could make it harder for people to use new SAP processes and systems

Best Practices for Successful SAP Consolidation

Companies should follow these best practices to get through these problems and make sure their SAP consolidation project is a success

Planning and Preparation

Detailed Assessment: Look closely at the SAP landscapes of both companies and make a full report.

- **Clear Objectives:** Define clear objectives and success criteria for the consolidation project.
- **Roadmap Development:** Make a detailed project plan and timeline that shows all the important tasks and deadlines

Data Management

- **Data Cleansing and Standardization:** Use strong processes for data cleansing and standardization to make sure that the data is of good quality and is always the same
- **Data Migration Strategy:** Make a full plan for moving data, taking into account different ways to do it (like a big bang or phased approach).

Business Process Harmonization

- **Process Mapping:** Map and analyze the business processes of both organizations to identify areas for harmonization.
- **Standardization:** Use best practices and industry standards to standardize business processes on one SAP platform.

Technical Execution

- **System Architecture Design:** Design the target SAP system architecture so that it meets the needs of the new organization
- **Testing and Validation:** : Do a lot of testing and validation on the combined SAP system to make sure it is stable and works well.

Change Management and Communication

- **Stakeholder Engagement:** Engage key stakeholders from both organizations throughout the consolidation process.
- **Communication Plan:** Make a clear and consistent plan for how you will communicate with stakeholders to keep them up to date on progress and deal with any problems.
- **Training:** Provide comprehensive training to users on the new SAP system and processes.

Leveraging SAP Solutions

- **SAP S/4HANA:** As part of the consolidation project, think about moving to SAP S/4HANA to take advantage of its more advanced features and functions.
- **SAP Solution Manager:** Use SAP Solution Manager to manage the consolidation project and monitor its progress.

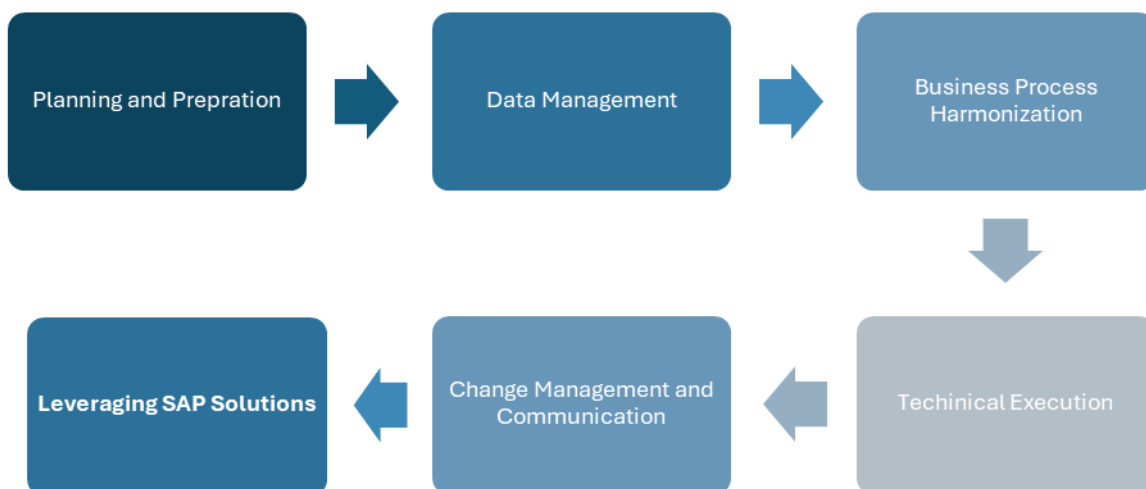


Figure 1: Shows the best ways to consolidate SAP.

III. LIMITATIONS AND CHALLENGES

The discussion should also talk about the study's limitations, like the size of the sample and the number of case studies, and suggest ways for future research to go. We will talk about what the findings mean for theory and practice, focusing on how the study adds to the fields of information systems and organizational management. It is important to recognize the research design and data collection methods' limitations, as well as any biases that may have affected the results. It is important to think about how the findings can be applied to other situations and industries, and it

is also important to stress the need for more research to confirm and expand on the results. The discussion should also look at how consolidating SAP systems affects organizational agility, innovation, and competitive advantage on a larger scale. This will give senior executives and business leaders useful information.

SAP system consolidation projects often run into big problems that can hurt their chances of success. One of the primary hurdles is data migration, which involves transferring vast amounts of data from multiple legacy systems into a single, unified SAP environment. When migrating data, problems like inconsistent data, poor quality, and complicated data structures can make things more difficult, causing delays, mistakes, and higher costs. Another problem is getting different businesses to work together on their processes. The changes to business processes, workflows, and data models can cause problems and slow down the consolidated system. To make sure that their business processes work well together and do not cause problems, organizations need to carefully analyze and harmonize them. Another common problem is that employees may not want to use new systems, processes, and roles. Technical difficulties are also a big problem.

To make sure that different SAP systems work together, you need to plan, set up, and customize them carefully. Security is also very important because companies need to protect private information and make sure they follow all the rules during the consolidation process.

It can be hard to merge different SAP landscapes, each with its own settings, customizations, and add-ons.

Companies need to check that different SAP versions work well together, fix any technical problems, and make sure that the combined system can handle their performance and scalability needs. Another common problem is that employees do not want to change. Employees may not want to use new processes, systems, and technologies if they think the changes will make things harder or threaten their jobs.

To deal with these problems, organizations need to use good communication, training, and change management programs. The absence of executive sponsorship and commitment can impede the success of SAP system consolidation initiatives. Also, managing and overseeing projects can be hard.

IV. RESULTS AND DISCUSSIONS

The results section will show what the interviews and case studies found. Descriptive statistics will be used to look at quantitative data like cost savings, efficiency gains, and user satisfaction scores. The results will be shown in tables and figures. Thematic analysis will be used to look for common themes, patterns, and insights in the qualitative data from the interviews and case studies that are related to SAP system consolidation. The synthesis of quantitative and qualitative data will yield a comprehensive perspective on the effects of SAP system consolidation on the integrated organization. This part will talk about the real-world results and lessons learned from SAP consolidation projects, which will help other businesses that are thinking about doing the same thing.

To show how valuable SAP system consolidation is, the analysis should show real results, like lower costs, more efficiency, and better data quality. Organizations that want to do similar things

should learn from both successful and unsuccessful consolidation projects. The section should also talk about the problems that came up during the consolidation process and how they were solved. This will give project managers and IT professionals useful tips. The presentation of results must be clear, concise, and substantiated by evidence from interviews and case studies, thereby ensuring the credibility and relevance of the findings.

The discussion section will analyze the results within the framework of the current literature on post-merger integration and SAP system consolidation. The results will be juxtaposed with prior studies to discern points of consensus and divergence.

V. FUTURE SCOPE

Future research directions will encompass the examination of the roles of artificial intelligence and machine learning in SAP system consolidation, the investigation of the effects of cloud-based SAP solutions on the consolidation process, and the formulation of a comprehensive framework for managing the human and organizational dimensions of SAP system consolidation. The conclusion should also stress how important SAP system consolidation is for successful post-merger integration and point out how more research could help us understand and use SAP system consolidation better. The paper will be organized to give a thorough and detailed look at how to consolidate SAP systems after a merger, using both academic research and real-world examples to give researchers and practitioners useful information.

The study's results can help create best practices and rules for SAP system consolidation projects. Subsequent research may investigate the application of advanced technologies, including blockchain, to enhance data security and transparency throughout the consolidation process. Future research could also look into how consolidating SAP systems affects an organization's performance, innovation, and competitive edge over the long term.

VI. CONCLUSION

In the end, the paper will sum up the most important findings and contributions of the study. The last part will sum up the most important results of the study, make conclusions based on the evidence, and give suggestions for companies that are combining SAP systems after a merger. The suggestions will be clear, doable, and fit for different kinds of businesses and situations where two companies merge. The paper will also talk about what the findings mean for theory and practice, focusing on how the study has helped the fields of information systems and organizational management. The conclusion will also stress how important it is to consolidate SAP systems as a key part of successful post-merger integration and point out how more research could help us learn more about and improve the practice of SAP system consolidation. The conclusion should also stress how important it is to combine SAP systems as a key part of successful post-merger integration and point out how more research could help us understand and use SAP system consolidation better.

It is important to recognize the research design and data collection methods' limitations, as well as any possible biases that may have affected the results.

It is important to think about how the results can be used in other situations and industries, and it is also important to stress the need for more research to confirm and build on the results.

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