



SBN Energy Day: Journey of Aker Solutions and Kværner Company Merge & Upgrade to S/4HANA 2020

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SBN 2022 – SAP Energy Day

Agenda

- Aker Solutions & Kværner History
- Background of Merge Project
- The Potential Alternatives for the Merge Project
- Project Scope, Partnerships & Go-Live
- Challenges & Learnings
- The Way Ahead & Expected Benefits



Aker Solutions

A supplier accelerating the transition to sustainable energy production

Global Presence in Key Energy Hubs



Dette er Kvaerner

Skreddersydd for å gjennomføre store og kompliserte prosjekt



- 2700 ansatte
- Til stede i 7 land
- Leverandør til olje- og gass industrien i Norge og internasjonalt
- Kvaerner har målsetning om å vokse innen fornybarmarkedet og bidra til bærekraftige energiløsninger
- Omsetning 2019: NOK 9,4 mrd

Why did Aker Solutions implement S/4HANA 2020

The merge process was the main driver for doing the upgrade to S/4Hana 2020 at this point of time.



Aker Solutions and Kværner used common SAP instance until 2016.



Upgrade planning in Aker Solutions was ongoing before the company merge. Kværner had upgraded SAP to S/4Hana 1809.



To be able to merge the systems Aker Solutions SAP had to be upgraded

- The system being merged into had to be at same SAP version or higher
- The systems were merged into Aker Solutions SAP due to higher complexity in Aker Solutions
- As a part of the process company codes are merged

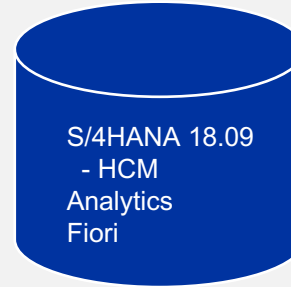
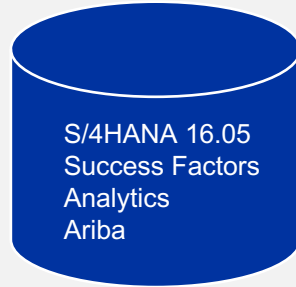


A single ERP system for the merged companies will offer **benefits of single instance reporting**, user administration and more effective intercompany processes. The latest SAP S/4 HANA technology platform will offer **more effective development**, system interfacing and abilities for more effective business processes and simplified user interfaces.

Roadmap of Merge



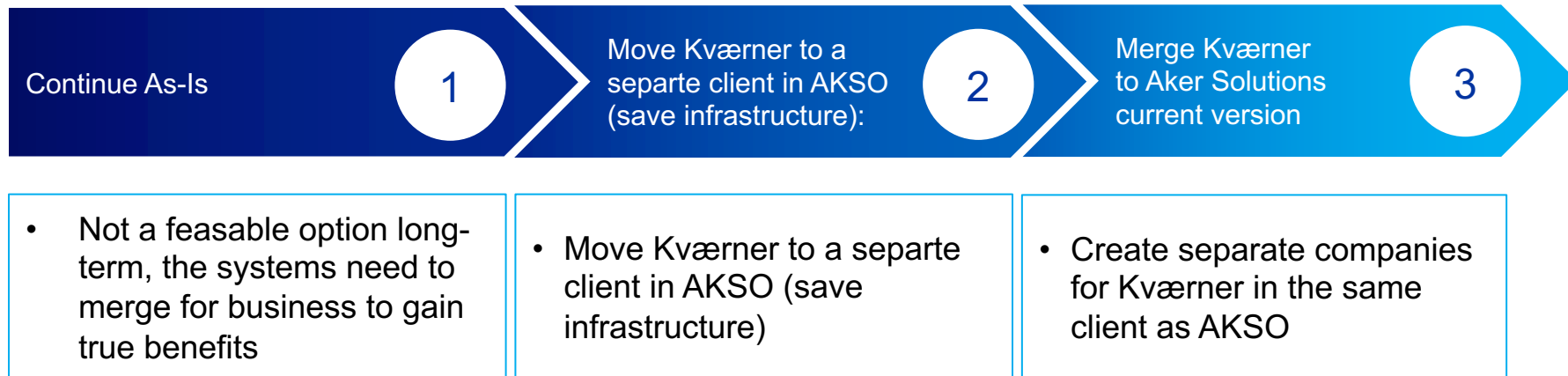
Background – Explore how to move Kværner to Aker Solutions system



- High level assessment for what it will take to move the Kværner main company codes to Aker Solutions SAP
 - Business driver: save license- and business cost:

Assessment narrowed down to Three Options...

Cognizant looked at the following options and recommends for the following:



Following three sub-options...

Merge Kværner
to Aker Solutions
current version

3

Sub-Option 1

**Convert Kvaerner to Aker
Solutions 16.05**

- Not an option due to High Risk

Sub-Option 2

**Upgrade Aker Solutions/
merge Kvaerner**

- The long term most cost effective option
- Use of migration toolsets is necessary to reduce merging risks
- Introduces more risk to a period of instability in Subsea PLM and logistics processes due to compressed timeline, compared to other options

Sub-Option 3

**Merge Aker Solutions Finance
and HR to Kvaerner 18.09 –
leave Subsea at 16.05**

- Little willingness, as causing too much reengineering in Business

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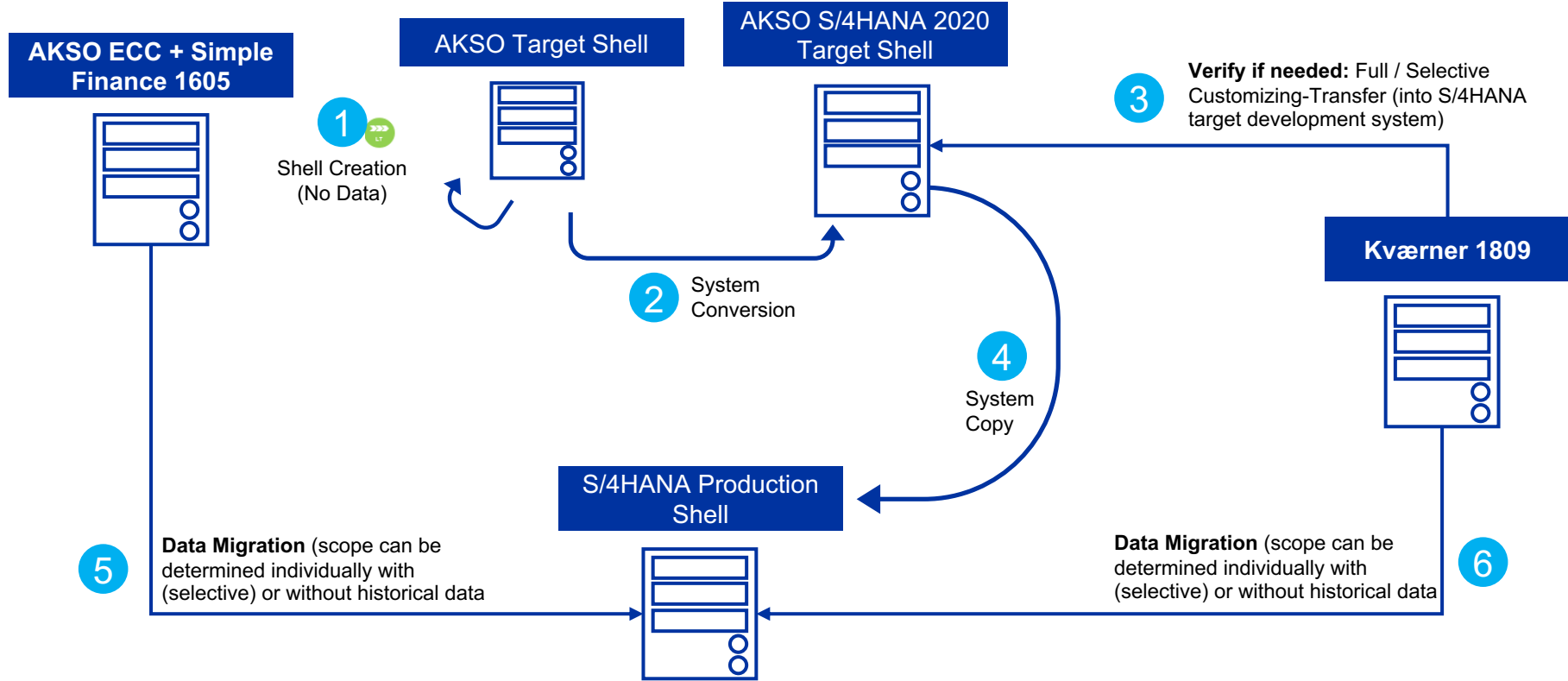
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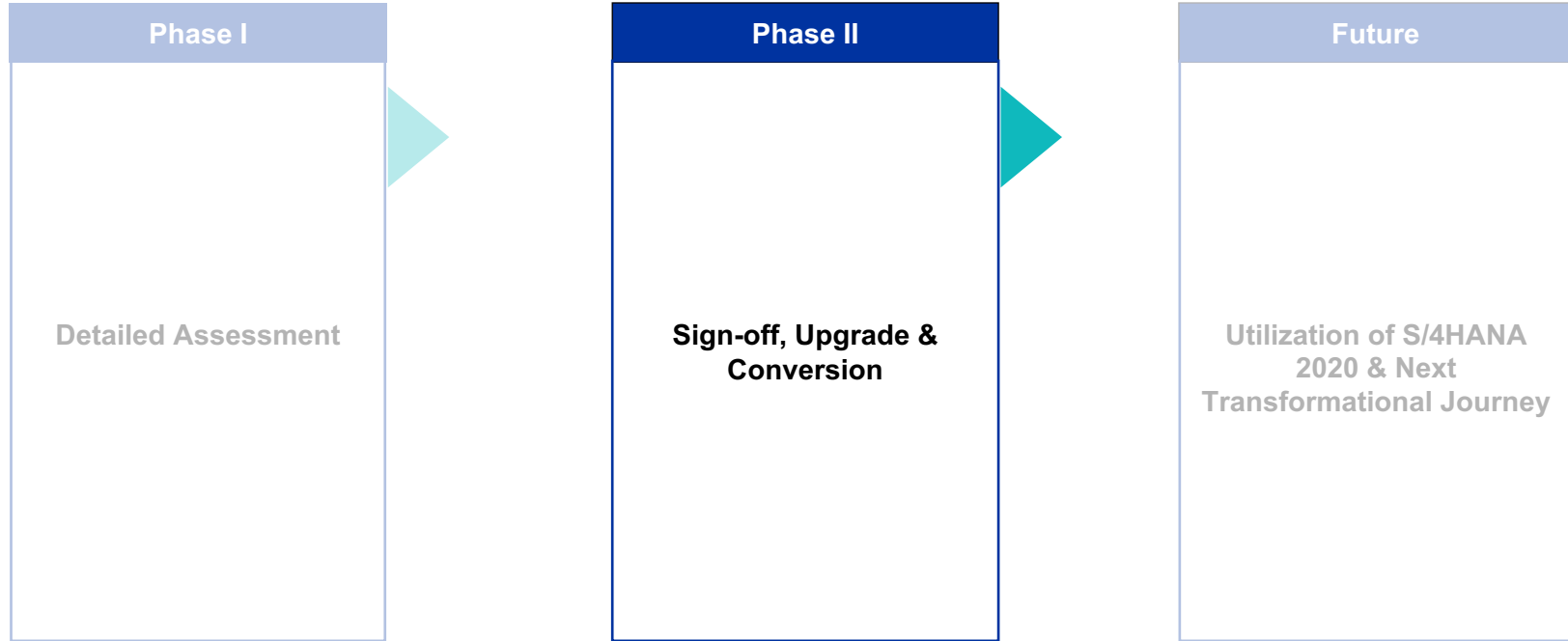
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The Road Less Travelled (in fact, never travelled before)



Roadmap of Merge



Project Scope included...



System Conversion

Convert the Aker Solutions SAP system (EHP8 for SAP ERP 6.0 with 1605 - sFin) to the latest SAP technology platform S/4 HANA 2020.



Data Migration

Selective Data Migration from AKSO and Kvaerner using migration rules based on specific org-units, with the requirement for merging of Aker Solutions and Kværner company codes.



ECTR

Aker Solutions CAD desktop functionality will be replaced by Engineering Control Centre (ECTR). AutoCAD replacement with BricsCAD may also be included within this scope



Additional Scope

Brazil tax reporting etc. (ACR)
Employee Central
MRP Live

Merge Project in Partnership



Project Sponsor / SteerCo
BU Support
Testing



Project Delivery
SAP Data, Configuration and
Customization
Basis activities



HEC:
Production
Landscape



Data Migration
HCM
DMLT



Deliver ECTR Solution
with Cognizant

But first, preparations were needed to support the new company structure



Finance

- Build a new Oracle HFM application to consolidate Aker Solutions and Kværner at group level and implement new company structures.
- *Implement changes needed to support new company structures and integrate Aker Solution SAP to the new HFM application.*
- *Implement changes needed to support new company structures and integrate Kværner SAP to the new HFM application.*



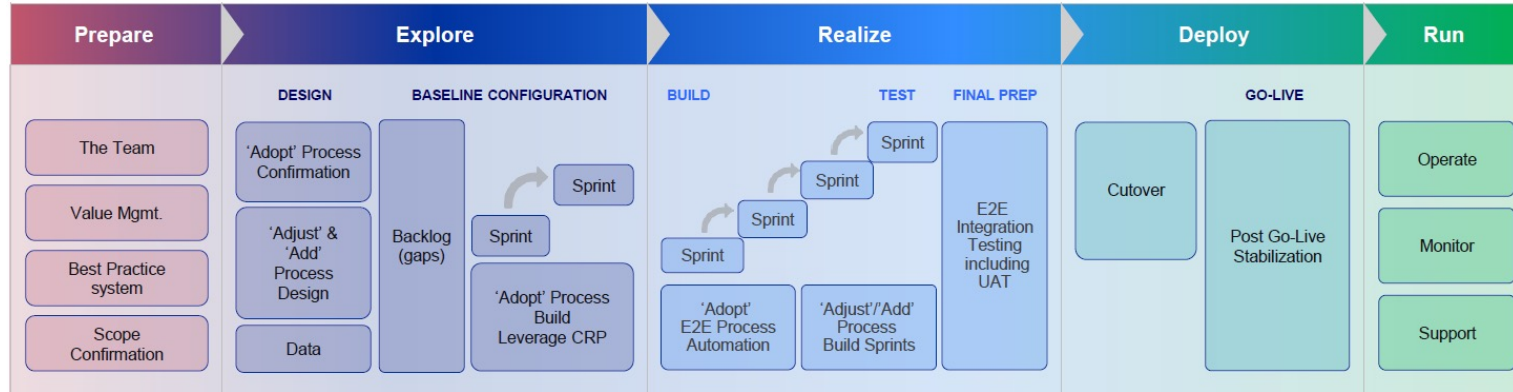
HR

- *Support the Integration project HR streams and implement needed changes and uploads to implement new organisation setup in both Aker Solutions and Kværner SAP*
- Support any other HR-changes that may be needed as a part of the merge.

SAP Activate Methodology



Go-Live: 20th Feb 2022.



Complete Remote Delivery

Tools used:

- Solman for Charm and Retrofit
- Simplification Items
- Test Management
- MS Project

Challenges & Learnings



Roles and Authorizations

Balance Carried Forward (BCF) created issue with FI postings, including FI-AA which stopped the depreciation run

Timing for Go-Live from business was good due to Off Season for reporting

ECTR setup and end user training (large business change)

Kvaerner merging with overlapping number ranges, naming of Work schedules and wage types (as data previously existed in the same system)

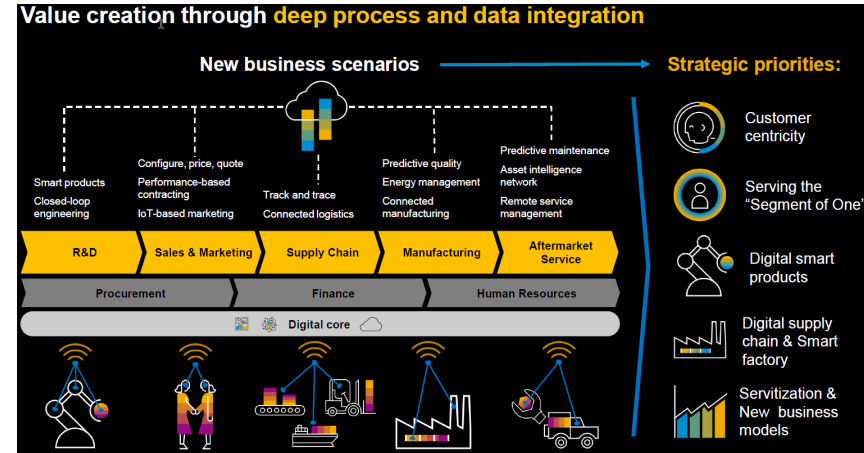
Larger emphasis on test cycle 1

The Way Ahead



Expected Benefits from adapting S/4HANA 2020

- **New user interfaces – New Web based user interface**
 - Lower cost to implement new apps
 - High number of available standard apps
- **Integrations**
 - Significant number of API's are part of standard
 - Significant lower cost on development for new integrations.
- **Finance:**
 - Improved Tax Management
 - Planning information in SAP
- **Supply Chain:**
 - Procurement Catalogue support
 - New workflow engine for PO process
 - KPI oriented user interface
 - Standardize and Modernise purchasing process in SAP
- **Subsea**
 - One stop Shop to all operational data using new tiles user interface
 - Realtime embedded analytics and operational data and
 - Advanced Variant Configurator
 - Collaborative planning across plants
 - Extended Warehouse Management
- **Digitalization**
 - Simplification, standardization and modernization of processes and user interfaces to improve efficiency and reduce cost
 - New development framework and API's to support digitalization initiatives



Thank you!

Q&A