

HPE: Transforming a Business for Agility, Speed, and Success

In 2015, the Hewlett-Packard Company split into two separate companies. This allowed one of them, Hewlett Packard Enterprise (HPE), to focus on developing and selling innovative IT solutions. But to fulfill the world's growing need for cloud services and intelligent technology, HPE would need to update its own IT stack. Specifically, HPE needed better solutions that could **simplify applications and processes across the enterprise**. So, HPE began a next-generation digital IT transformation with SAP® solutions that would revolutionize the business and improve KPIs.



Powering a Digital Transformation with SAP® Solutions

Before: Challenges and Opportunities

- Complex legacy IT landscape with 10 different ERP systems and 800 applications
- Significant technical debt and high total cost of ownership for IT and operations
- Different systems and processes across regions that prevent a consistent customer experience

Why SAP

- A wide portfolio of intelligent solutions, as well as an innovation road map to prepare HPE for the future
- SAP MaxAttention™ program to provide design validation, planning and execution services, and in-depth testing to help ensure project success

After: Value-Driven Results

- Implemented a standardized platform on SAP S/4HANA® that reduced customizations to less than 10%
- Simplified and unified processes and reduced the application landscape by half
- Reduced product structure complexity and decreased product structures from 100,000 to 20,000
- Decreased quote time from 3 hours to 15 minutes
- Increased on-time delivery from 90% to 99.5%
- Reduced recommitments to orders from 25% to less than 5%
- Reduced month-end close from 11 days to just 5 days
- Increased end-to-end order, inventory, and demand visibility



“SAP solutions have helped us launch an initiative to **reduce the number of touch points in the sales process** – a critical factor in getting price quotes to customers and closing deals faster – from 1,000 to just 100.”

Dave Carlisle, CTO of Global IT, Hewlett Packard Enterprise

\$1.5 billion **90%**

Increase in e-commerce revenue, for a total of \$2.5 billion

Reduction in touch points in the sales process



Transforming Business, Technology, and Experiences

The high tech industry is experiencing rapid transformation thanks to the accelerating pace of technology change and mass migration to the cloud. To keep up, the Hewlett-Packard Company split into two companies in 2015: HPE Inc. focuses on personal computers and printers, and Hewlett Packard Enterprise (HPE) provides corporate IT solutions. Today, HPE helps businesses worldwide succeed with AI, blockchain, augmented analytics, the cloud, and other intelligent technologies.

While this strategic spin-off offered HPE the benefits of running as an independent company, it also posed unique challenges. Specifically, it was burdened with a legacy IT landscape and technical debt. It struggled to run with the agility and speed characteristic of a leader in high tech. So, the company launched its business transformation program, dubbed “NEXT,” to **simplify the overall organizational structure and processes.**

However, HPE knew that transforming the business would not be easy. With 10 separate ERP systems in addition to core databases, complex applications, and fragmented processes, HPE would first need to complete a digital transformation. It hoped that the next-generation IT (NGIT) digital transformation program could revamp and refresh the company’s internal IT systems by investing in resilient, next-generation systems capable of supporting HPE’s evolving business now and in the future. Not only that, but HPE also sought to provide better services and experiences to customers, partners, and employees on new technology.





Focusing on **Business Agility and Speed**

HPE relied on the Intelligent Enterprise for its NGIT digital transformation program. It implemented a wide variety of solutions and services, all part of the Intelligent Enterprise from SAP, to create a solid foundation for the business and then enhance IT with powerful next-generation technologies.

SAP S/4HANA® provides a platform for digital transformation across the value chain, along with the SAP® Integrated Business Planning for Supply Chain, SAP Ariba®, SAP Concur®, and SAP Fieldglass® solutions. SAP Customer Experience solutions and the SAP Analytics Cloud and SAP CPQ solutions provide additional capabilities for key business functions including the customer experience.

HPE's digital transformation spanned nine quarters and created a single IT platform, of which less than 10% is customized. The new platform on SAP S/4HANA reduced the company's master data sources from eight to just three using a single data model, providing access to real-time data from across the enterprise. Today, HPE runs on half the applications it did previously, and more than 90% of HPE's processes are up to par with industry best practices.

The success of the NGIT digital transformation enabled HPE to move forward with NEXT, its business transformation. Using SAP solutions, NEXT focused **on enabling HPE's future organic growth and mergers and acquisitions**, and it simplified and unified business processes with an emphasis on speed and agility. NEXT ultimately enabled the creation of new capabilities such as subscription management.





Realizing New Efficiencies and Better Ways of Working

With SAP solutions, HPE improved a variety of KPIs across the entire enterprise. It reduced recommitments to orders after removing the legacy processes that had resulted in rescheduled jobs (which often occurred on the originally scheduled date anyway).

HPE also improved on-time delivery by focusing on its partners and helping them improve their own shipping. Today, 99.5% of HPE's customer orders are delivered on time, up from 90% in the past.

After prioritizing a focus on customer-related data and automated global address validation, the company improved master data governance. It also implemented global policies for the standardization and simplification of customers' required data when placing a purchase order, with a focus on items that often need manual correction after order capture.

With many different routes to market, HPE has a very complex pricing model. So, the company consolidated pricing ecosystems and simplified pricing processes to reduce the quote cycle time. Previously, HPE had many disparate pricing systems, so it would take a long time to generate pricing during quoting. Now, the company works solely on SAP S/4HANA. This empowers users with **near-instant pricing** and minimizes the escalated pricing approval workflow.

The combination of business process improvements, IT system capabilities, and feedback from sales personnel and business partners helped HPE achieve success as an independent enterprise and industry leader.

15 minutes

To retrieve a sales quote (down from three hours)

80%

Reduction in product structures

50%

Less applications (800 down to just 400)



Powering the **Next Phases** of Business Transformation

As part of the company's initiative for HPE GreenLake cloud services, HPE intends to pivot to a pay-per-use model. The company's existing SAP solutions can extend to meet its new needs, and HPE can easily integrate new SAP solutions into its technology landscape. In particular, HPE is looking to use SAP Billing and Revenue Management solutions to help accelerate and scale a transformation to a subscription-based business model.

The solutions can improve data collection and management, pricing, rating, convergent charging, billing, dispute management, collections, and more.

The company's current SAP solutions also provide a foundation for new technologies. In the future, HPE hopes to explore standard and custom use cases for AI and machine learning.



“SAP solutions helped us work concurrently with tectonic shifts happening in the industry as we **transformed our technology** and then our business.”

Dave Carlisle, CTO of Global IT, Hewlett Packard Enterprise