



**REPORT TO: CITY MANAGER**

**TO BE REFERRED BY THE OFFICIAL TO MAYCO VIA:**

- **CORPORATE SERVICES PORTFOLIO COMMITTEE**
- **FINANCE PORTFOLIO COMMITTEE**
- **ENERGY PORTFOLIO COMMITTEE**
- **FUTURE PLANNING & RESILIENCE PORTFOLIO COMMITTEE**

**[AFTER CONSIDERATION BY CITY MANAGER]**

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**1. ITEM NUMBER**

**2. SUBJECT**

**FEEDBACK ON THE INTERNATIONAL/OUTSIDE THE BORDERS OF THE RSA TRIP UNDERTAKEN FROM 7 TO 13 SEPTEMBER 2024 TO MEET WITH SAP SE OFFICIALS AT THEIR HEADQUARTERS IN WALLDORF, GERMANY, TO DISCUSS KEY TOPICS AND BEST PRACTICES RELATED TO SAP S/4HANA AS THE CITY OF CAPE TOWN EMBARKS ON ITS IMPLEMENTATION JOURNEY**

**ONDERWERP**

**TERUGVOERING OOR DIE INTERNASIONALE REIS (BUITE DIE GRENSE VAN DIE RSA) VAN 7 TOT 13 SEPTEMBER 2024 VIR 'N VERGADERING MET AMPTENARE VAN SAP SE BY HUL HOOFKWARTIER IN WALLDORF, DUITSLAND OM BELANGRIKE ONDERWERPE EN BESTE PRAKTYKE MET BETREKKING TOT S/4HANA TE BESPREEK SOOS DIE STAD KAAPSTAD MET SY IMPLEMENTERING BEGIN**

**ISIHLOKO**

**INGXELO ENGASEMVA KOHAMBO KUMAZWE APHESHEYA/ ANGAPHANDLE KWEMIDA YASEMZANTSI AFRIKA, EQHUTYWE UKUSUSELA KOWE7 UKUYA KOWE13 KWEYOMSINTSI 2024 NGENJONGO YOKUDIBANA NAMAGOSA E-SAP SE KUNDLUNKULU WABO OSE WALLDORF, E GERMANY, UKUXOXA IZIHLOKO EZIPHAMBILI NEZONA NDLELA ZINGCONO ZOKUSEBENZA NGE SAP S/4HANA NJENGOKO ISIXEKO SASEKAPA SIQALISA UKUMISELA INKQUBO YASO**

**LSU: R1420**

### 3. EVENT SUMMARY

EVENT DETAILS	
CONFERENCE/SEMINAR	City of Cape Town visit to SAP SE in Walldorf, Germany
OTHER	The purpose of this trip was to meet with SAP officials at their headquarters in Walldorf, Germany, to discuss key topics and best practices related to SAP S/4HANA.
DATE	07 September 2024 – 13 September 2024
VENUE	<b>Building 21, WDF21 Hasso-Plattner Ring, 7, 69190, Walldorf, Germany</b>
TOTAL COST TO THE CITY	<b>R2 051 758.19</b>
CITY	<b>Walldorf</b>
COUNTRY	<b>GERMANY</b>

	NAME	DESIGNATION
1	Andre Stelzner	Chief Digital Officer – IS&T
2	Basil Chinasamy	Director: DTAG – IS&T
3	Adri Janse van Rensburg	Acting Director of Applications
4	Kelly Searle-Smith	CAR Programme Manager
5	Sanet Halgryn	CAR Architect – IS&T
6	Louise Muller	Director: Valuations
7	Carl Stroud	Director: Budgets
8	David Valentine	Director: Treasury
9	Eloise De Villiers	Director: Revenue
10	Nothemba Lepheana	Director: Expenditure
11	Adiel Bloew	Director: SCM
12	Pragasen Munien	Manager: Technical Services

	NAME	DESIGNATION
13	Andre Swart	Manager: Accounts Payable, Expenditure
14	Naiemah Ismail	Manager: Budgets
15	Christof Pluddemann	Head: ISS, Electricity G&D
16	Carel Kleynhans	Head: Payroll Admin
17	Delyno Du Toit	Manager: Org Performance
18	Michelle Baker	Acting ERP Manager
19	Michael M Smit	SAP Integration Specialist
20	Jan Daniel Rossouw	Principal SAP-ERP Analyst
21	Willem Brazelle	ERP Integration Specialist
22	Juanita Botha	Principal ERP Analyst
23	Christiaan R Pieters	SAP Integration Specialist
24	Thabit Barends	SAP Integration Specialist

#### PROVIDE SUMMARY OF HOST ORGANISATION / CITY

- SAP SE (Societas Europaea) is a German multi-national software company headquartered in Walldorf, Baden-Württemberg, Germany. It specializes in developing enterprise software to streamline business operations and enhance customer relationships.
- SAP is the largest vendor of enterprise resource planning (ERP) software globally and has a long-standing partnership with the City of Cape Town, who has been running SAP for the last 20+ years.
- SAP has seen the City evolve through different phases of development and growth in both the Public and Utilities sectors.
- The City's vision to be a City of Hope that works for all its residents aligns with SAP's purpose of making the world run better and improving people's lives.

## 4. OBJECTIVE

In March 2024, a Council Resolution was obtained, providing the approval for the City to upgrade the current ERP system from SAP ECC6.0 to SAP S/4HANA. This resolution enabled the CAR team and City Officials to conduct more extensive preparation, planning and market research activities directly with SAP. The CAR team proceeded to engage directly with SAP, which led to a recommendation for a core group of City officials, to travel to SAP SE's headquarters in Waldorf, Germany, as an opportunity for direct engagement with SAP's Global Public Sector Executives, Product Specialists and Solution Owners, to discuss lessons learned and best practices for the City's SAP S/4HANA implementation journey.

This international trip provided City Officials, specifically the Directors, with the opportunity to engage directly with SAP at a strategic and executive level, regarding critical conversations related to key decisions that will be needed as input to the Core tender and regarding key implementation decisions that will ultimately become either critical success factors or potential points of failure.

It also provided City Officials who are business subject matter experts (SME), and technical specialists with the opportunity to engage directly with SAP Product Specialists, the opportunity to engage directly at a technical level, around the functionality and capabilities available in each new SAP S/4HANA solution, that is required as part of the upgrade from SAP ECC6.0 to SAP S/4HANA. These insights were similarly important to understand which new SAP S/4HANA solutions would be required by the City of Cape Town, to include in the Core Licenses tender as part of the SAP Bill of Materials (BOM), as well as confirming what functional scope would need to be incorporated in the Core technical specifications for the Core Implementation & Support tender.

## 5. OUTCOMES

### 5.1 Takeaways

The key highlights and takeaways from the week in SAP Germany include the following:

- a. **S/4HANA is a mature solution and continually improving** – with significant continuous Research & Development and innovation being applied by SAP.
- b. **Innovation is in the Cloud** – no further investment will be taking place with on-premise solutions and will only be investing in R&D and innovation in cloud solutions.
- c. **Artificial Intelligence (AI) is embedded** – SAP has embedded AI functionality in all their SAP S/4HANA solutions, and AI is not a separate or add-on module/solution.
- d. **S/4 enables improved business processes** – the business SMEs were complimentary that S/4 enables improved best practice business processes.
- e. **Mobile App services will enhance the citizen experience** – the new mobile app services are very user-friendly and will improve the citizen's experiences.
- f. **Data Migration tools can assist in minimising downtime** – SAP has several data migration tools that can be used to reduce and minimise downtime.
- g. **Data cleansing is critical to prepare for data migration** – data cleansing is a critical success factor for S/4HANA migrations and should commence as early as possible.
- h. **Lots of activities can commence already in preparation** even in advance of tender advertisement and award, and prior to the Systems Implementer coming on-board.

## 5.2 Key benefits to the City included:

- a. Direct engagement with SAP Public Sector Executives, and Global Product Specialist, Engineers and Solutions Owners provided a clear understanding of how SAP's architecture has evolved from SAP ECC6.0 to SAP S/4HANA and the current status and future technology direction that SAP is embarking on, allowing the City to align its implementation strategy with SAP's technology roadmap.
- b. The opportunity to share the City's unique needs and requirements provided the SAP team with a better understanding of how/where certain R&D and innovation investments might be needed on their side from a product perspective to better serve public sector and South Africa-specific operational requirements.
- c. The City gained access to SAP's technical experts, who provided insights into addressing business- and project-specific challenges. This knowledge will help streamline the technical aspects of the City's S/4 HANA implementation.
- d. Exposure to SAP products in real-world, industry-specific environments provided the City team with a much more practical understanding of how the SAP tools can be applied to enhance system implementation and service delivery.
- e. Engagement with SAP SMEs who had overseen similar projects provided valuable insights and lessons that will be applied to the City's SAP S/4HANA implementation.
- f. Establishing relationships with SAP Executives and decision-makers has positioned the City to receive ongoing support and guidance, ensuring a higher quality tender can be advertised and thereafter a smoother implementation. This has included further free deep dives and demos that SAP South Africa has assisted with locally.
- g. Relationships built amongst this group of key stakeholders who will continue to be engaged as CAR Champions and used as a key stakeholder group as a sounding board on a continual basis, especially when critical decisions are required.

Each of the attendees had detailed key takeaways and highlights aligned to their area of responsibility within the City. Refer to attached Appendix 2 for key takeaways identified.

SAP also created a micro-site with all the presentations that were provided in the week.

## 6. ACTIONS REQUIRED

### 6.1 Future Learnings

There is a detailed schedule of SAP demos (with the business) and deep-dive technical sessions for the delegation and the broader community, to engage further on the SAP topics that require additional insights and further unpacking.

The following demos were scheduled to take place as these require additional information and insights needed to finalise the scope for the Core technical specifications:

- SAP ARIBA
- SAP CRM | C4C
- SAP PAYROLL
- SAP PS, Budgeting, Planning, Grant Mgmt. Fund Mgmt.

There were also deep-dive technical sessions scheduled with SAP, the CAR and ESC teams to discuss the SAP BOM and other matters required to land critical decisions needed for the Core technical specifications and Core Licenses and Core Implementation and Support Services tender from. Thereafter, all remaining SAP demos of interest to the business will be scheduled until mid-December 2024, for additional information and knowledge sharing.

## 6.2 Pre-implementation activities

This includes: data readiness and realigning of data tables, structures etc. with the new S/4 data templates; Unicode migration; customisation assessment and clean-up of custom code; Rosetta assessment; Star service etc. These pre-implementation activities are currently under discussion directly with SAP, CAR Team and IS&T ESC team, to ensure that the detailed activities are scheduled in a detailed project plan and executed accordingly, in advance of the tender award and SI-onboarding.

## 7. IMPLICATIONS

7.1	<b>Constitutional and Policy Implications</b>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.2	<b>Environmental implications</b>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.3	<b>Financial Implications</b>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.4	<b>Legal Implications</b>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.5	<b>Staff Implications</b>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.6	<b>Risk Implications</b>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>

### 7.7 POPIA Compliance

- ☒ It is confirmed that this report has been checked and considered for POPIA Compliance.

## 8. RECOMMENDATION

It is recommended that the feedback report on the trip to Waldorf, Germany from 7 – 13 September 2024 to meet with SAP Societas Europaea officials to engage on SAP S/4HANA implementation, undertaken by the 24 City officials as listed in section 3, **be considered and noted**.

### AANBEVELING

Daar word aanbeveel dat die terugvoeringsverslag oor 24 Stadsamptenare, soos gelys in deel 3, se reis na Walldorf, Duitsland van 7 tot 13 September 2024 vir 'n vergadering met amptenare van SAP Societas Europaea om die implementering van SAP S/4HANA te bespreek, oorweeg word en dat daarvan kennis geneem word.

### ISINDULULO

Kundululwe ukuba makuthathelwe ingxalelo kwaye kuqwalaselw ingxelo engasemva kohambo ebelujolise eWalldorf, eGermany ukusuela ngowe7 ukuya kowe13 kweyoMsintsi 2024 ngenjongo yokudibana namagosa eSAP Societas Europaea ukubandakanyeka ngokumalunga nokumiselwa kweSAP S/4HANA, ethe yaqhutywa ngamagosa angama24, njengoko kudweliswe kwicandelo3.

## 9. ANNEXURES

APPENDIX 1 – Abbreviations

APPENDIX 2 – Key takeaways identified per attendee

FOR FURTHER DETAILS, CONTACT:

DATE			
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DATE		

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☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

LEGAL COMPLIANCE

☐ NON-COMPLIANT

COMMENT:

NAME

TEL

DATE

Certified as legally compliant based on the contents of the report.

CITY MANAGER

☒ NOTED

☒ REFER TO THE MAYORAL COMMITTEE VIA THE RELEVANT SECTION 79 COMMITTEE.

DATE

COMMENT:



## APPENDIX 1 – Abbreviations

No.	Acronym	Definition
1	AI	Artificial Intelligence
2	API	Application Programming Interface
3	BOM	Bill of Materials
4	BTP	SAP Business Technology Platform
5	CAR	Core Application Refresh
6	CRM	Customer Relationship Management
7	ECC6.0	SAP ERP Central Component (ECC) version 6.0
8	ERP	Enterprise Resource Planning system
9	ESC	ERP Support Centre
10	ESRI	Geo-spatial System
11	IS&T	Information Systems & Technology
12	MILO	The Microsoft mascot
13	MS	Microsoft
14	MS365	Microsoft 365
15	POPIA	Protection of Personal Information Act (POPI Act)
16	R/D	Research & Development
17	S/4HANA or S/4	Latest SAP ERP version
18	SAP PS	SAP Project System
19	SAP SE	SAP Societas Europaea
20	SME	Subject Matter Expert