



WHITEPAPER

FAQ S/4HANA with TIS

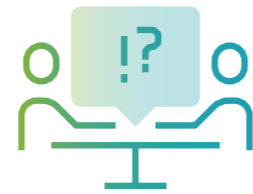
Benefits of using an Enterprise Payment Optimization Platform for the migration to S/4HANA

INTRODUCTION

When it comes to the SAP (ECC) ERP migration to SAP S/4HANA, there have been a lot of initiatives across many organizations to guarantee a smooth and on-schedule shift. The area of enterprise payments is a critical part in this migration due to its impact on the groupwide business continuity.

TIS has received many questions from both treasurers and IT professionals concerning the digitalization or streamlining of the enterprise payment process in the larger context of the S/4HANA migration. This is why we have sat down with two financial solution experts from TIS, aiming to shed some light on some of the most frequently asked questions related to enterprise payments moving to S/4HANA.

FAQ: S/4 HANA MIGRATION WITH TIS



Our organization has a clear need to further streamline and automate our payment process, what is the best timing for starting such a project?

The best timing is always now, irrelevant of how much the process has been digitalized in the organization. Some organizations may have done inhouse development of payment formats and built up bank connectivity while some may still use manual processing of the payment files with the help of e-banking tools. However, as a company grows, the number of the banks and bank accounts across different geographic locations never stops increasing. Therefore, a more sustainable and scalable solution is needed to support such growth.

In the context of S/4HANA, what is worth mentioning is the fact that S/4HANA is the time when a company retires old ERP systems and consolidates company-wide data onto a centralized platform, including payments. The challenge, which we have seen repeatedly when working with many of our customers, is the fact that such centralization also brings 'surprises' to the IT teams.

Suddenly, due to the changes in the systems, the requests for developing new payment formats and bank connections surface, which are not part of the original scope or estimation of the S/4HANA project plan and could potentially lead to delay of the whole project roll-out and completion.

In addition, the migration to S/4HANA implies a regression testing of the whole payment process, which will already consume quite a lot of IT resources, especially if an organization has a diverse and heterogeneous payment process. Therefore, it is also our recommendation that your organization begins working with an Enterprise Payment Optimization Platform like TIS to identify these issues as early as possible.

What if our IT infrastructure is about or already in the middle of an S/4HANA migration? Shall I wait for the S/4HANA migration to finish and then consider a solution like TIS?

No, we would not recommend waiting until the S/4HANA project hits the finish line, for the simple fact that the migration in most of the organizations will take years. It is not an "on-off" process but rather a phase by phase, country by country, module by module process.

Meanwhile, your need to automate the payment process does not go away, but in most cases continues to increase. Therefore, we would recommend that the treasury team starts the evaluation process as soon as possible.

Furthermore, the TIS solution is designed to be initiated and implemented completely in parallel to any other IT projects, so it certainly will not delay the S/4HANA migration.

Will a solution like TIS create more work for the IT team when they are busy with the S/4HANA migration?

Actually, a solution like TIS will greatly decrease the workload for the IT team when it comes to the migration of the payment modules from the old SAP to S/4 HANA. Here we must also look at different scenarios, for example, if the organization was previously using SAP BCM or a payment module from a certain TMS system or even manually through e-Banking tools/tokens.

How could TIS decrease the workload for the IT team in my organization? Could you give an example?

First of all, at TIS, we fully recognize the change to S/4HANA is not easy for any organization. The complexity is horrendous. Usually, IT teams need all support possible for guaranteeing business continuity, which is their number one priority. For payments automation, one of the biggest IT investments is on building bank connectivity and developing payment formats, the two tasks that must take place no matter which version of SAP is being used. S/4HANA will certainly not alleviate the pain. Instead, the IT team would need to rebuild all the bank connectors and reconfigure all the payment formats under the new S/4HANA environment. In other words, there is no automation toolkit designed or offered by SAP for payment module migration from old SAP versions to S/4HANA. However, if a company chooses to implement TIS to manage the payment process in parallel to SAP S/4HANA, it will get the following advantages regarding the migration process:

1. Reduce the complexity of the migration process, so the IT team can focus on the core functionalities in the ERP, while TIS takes care of all the bank connectivity and the payment formats development/maintenance.
2. Reduce the risk of failure in such a critical process as the payment process.
3. Centralize and start running the payments in a single platform for the entire organization, regardless of the migration strategy or the planning of S/4HANA roll-out in the different subsidiaries.

What does our IT team have to do if treasury chooses TIS to help with a project?

Let's look at the implementation of the TIS solution against different IT backgrounds with SAP.

1. Your organization has not yet started S/4HANA migration but is only in an early phase of planning. Here the TIS platform will be implemented normally as a treasury digitalization project with minimal IT involvement. What the IT team needs to support is the installation of a certified SAP plug-in from TIS, which is a native SAP add-on module. After the installation, payment data is sent automatically from the individual ERP systems to the banks via TIS, and account statements are delivered back to the ERP systems automatically.
2. Your organization already started the S/4HANA migration. Here your organization could use the TIS platform as a connectivity enabler for speeding up S/4HANA migration of the payment module. The logic is very simple: instead of rebuilding the whole bank connectivity and payment formats country by country during or after the S/4HANA migration in order to complete the whole migration, now this task could be outsourced

to TIS. IT only needs to install the native SAP plug-in from TIS so that all payment traffic now goes through TIS to all the banks worldwide and after S/4HANA migration, delete the old version and reinstall the plug-in from TIS to the latest version for S/4HANA. Meanwhile, there is no discontinuity of any payment process in any global location.

The IT team has heard that SAP S/4HANA offers a new module called MBC inside S/4HANA for payments. What is the main difference between MBC and TIS?

First of all, building formats and bank connectivity takes time and it requires a set of special expertise. TIS is a market-proven leader in this domain. One of the good proof points to mention is that approximately 25% of DAX organizations are using the TIS platform to manage their groupwide payments. With such a client base, the TIS platform can create an unmatched network effect when it comes to the payment formats and bank connections, because these large global enterprises tend to have very complicated and wide-spread banking landscapes and by serving their needs, TIS has been able to establish and continuously enhance our global format library and bank connections.

Secondly, the business case of using MBC needs to be cautiously calculated. We recommend that organizations evaluate the total cost of ownership: not only the bank connection but also the formats, the sanction screening and fraud prevention, etc. Companies with IT teams that have been using SAP BCM (bank communication manager) probably understand very well how expensive it is to configure the BCM, build the middleware and establish any bank connectivity. It can easily become an expensive inhouse IT project. This is something that your organization would not want for S/4HANA migration.

In summary, what should I say to my internal IT team regarding the benefits of choosing TIS to help with a S4 HANA project?

Due to the complexity of the S/4HANA topic, we are happy to answer any further questions from IT and we can organize demos on site if needed.

WHY USE AN ENTERPRISE PAYMENT OPTIMIZATION PLATFORM LIKE TIS: KEY TAKEAWAYS

1. A DIY approach is very expensive and time-consuming when it comes to automating the payment process group wide across the globe. Payment formats, bank connection, security, compliance... the list is long and with the TIS solution, **all is included** in one price offered via Software-as-a-Service (SaaS).
2. S/4HANA migration is a long and complicated project and choosing TIS means trust-worthy guarantees on **business continuity** when it comes to global payments.
3. TIS is an **expert in building connectivity**, and this means everything to IT professionals. TIS has rich experience in building connectivity to all kinds of ERP systems including SAP but not limited to SAP. It is also a market leader in bank connectivity and format library. The platform is certified by SAP, SWIFT and its security is certified by ISO 27001, SOC1/SOC2 and TISAX.



Should you have any further questions, feel free to contact info@tispayments.com and get in touch with one of our experts.

ABOUT TIS

TIS helps organizations simplify and streamline their global payments and liquidity management operations. Our cloud-based platform empowers businesses to optimize critical functions surrounding cross-border and domestic payments, bank connectivity, cash forecasting, fraud prevention, payment compliance, and more.

Corporations, institutions, and business vendors leverage TIS to transform how they connect with global banks and financial systems, collaborate on payment processes, execute outbound payments, analyze cash flow & compliance data, and promote working capital efficiency. Ultimately, the TIS Enterprise Payment Optimization (EPO) Platform helps businesses improve operational efficiency, lower risk, manage liquidity, gain strategic advantage – and achieve enterprise payment optimization.

Visit tispayments.com to reimagine your approach to payments and liquidity management.

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TIS IN NUMBERS



**Statistics are representative of operations as of Q1 2023, unless otherwise noted.*

Cash Flow, Liquidity & Payments.

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