

Manufacturing case study



Vorwerk prepares for growth with new digital sales platform

Cognizant supports the maker of Thermomix and Kobold appliances to migrate its critical sales and order management processes to SAP S/4HANA and the cloud.

At a glance

Industry
Manufacturing

Location
Germany

Challenge
Deliver a smooth migration to SAP S/4HANA and the cloud for a business-critical sales and order management system supporting 1,600 sales professionals in four European countries.

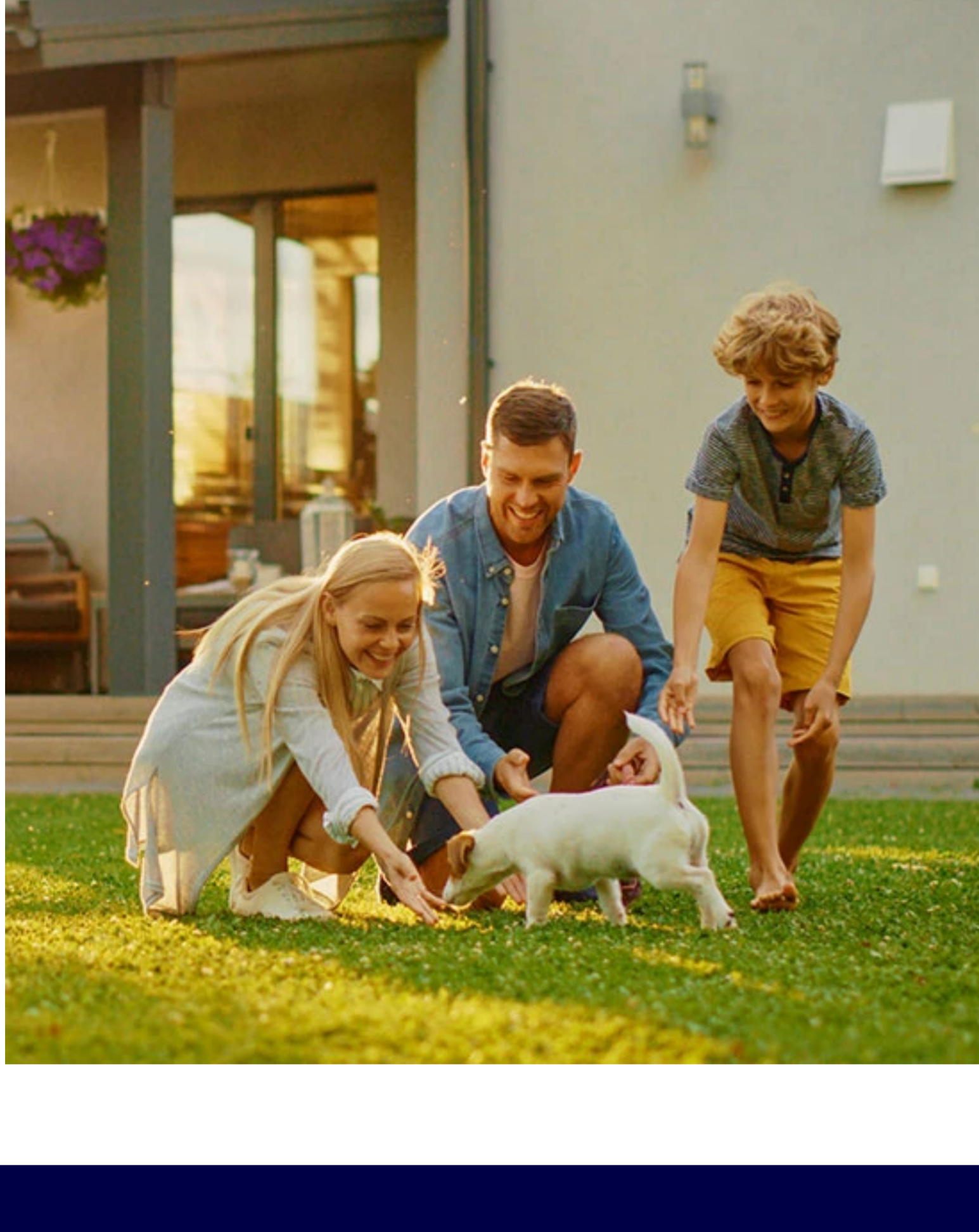
Success Highlights

- Complex dual migration, including 200 interfaces, delivered in 18 months with no issues
- 20 years of valuable business data safely migrated to the new environment
- Cutover to the new platform achieved over one single weekend

The challenge

Founded in 1883 and headquartered in Wuppertal, Germany, the Vorwerk Group is a family-owned manufacturer of premium-quality appliances and related services. With operations in more than 60 countries, Vorwerk's Thermomix kitchen appliances and Kobold vacuum cleaners are known and trusted throughout the world, generating annual sales of over three billion euros for the group.

Vorwerk is Europe's number one direct sales company, committed to maintaining close ties with its customers. For 20 years, its sales teams in Germany, Austria, France and Switzerland relied on an on-premises SAP system for sales and order management. However, this aging system lacked the agility and flexibility to support Vorwerk's future ambitions, and the on-premises infrastructure struggled to handle activity peaks such as Black Friday.



A strategic double migration to SAP S/4HANA and the cloud

Vorwerk needed to modernize its SAP ECC-based order management system to create an agile and scalable foundation for growth. It made a strategic decision to migrate the system, along with all its interfaces, to SAP S/4HANA. At the same time, it wanted to move the system to the cloud, in line with its goal of having all systems running in the cloud by 2027.

What's more, this dual migration would entail seven more major projects: harmonizing Vorwerk's chart of accounts, implementing a new general ledger and new asset accounting module, creating a hybrid architecture to integrate the new S/4HANA system with its on-premises SAP customer relationship management (CRM) system and enabling system access for external sales advisors.

These seven projects represented a business-critical digital transformation that could not risk failure. There are multiple options for migrating from SAP ECC 6.0 to SAP S/4HANA, and Vorwerk had to choose the right one for its business. For that, it needed the support of an experienced, professional partner with a deep knowledge of both SAP and of Vorwerk's own business and systems landscape. As a long-standing technology partner to Vorwerk, Cognizant was entrusted with the project.

Our approach

Identifying the right approach to the migration was critical. Each in-country implementation of SAP ECC held 20 years of valuable business data and had been customized to match local business processes. Vorwerk wanted to move much of the data and some of the processes into S/4HANA but also saw an opportunity to harmonize some processes and take advantage of new SAP functionality.

This called for a "bluefield" migration approach, rather than rebuilding from scratch ("greenfield") or simply replicating existing processes in the new platform ("brownfield"). We therefore reached out to SAP S/4HANA bluefield data migration specialists SNP Group to work with us on the project.



A smooth and successful 18-month transformation project

Working closely with Vorwerk and SNP, we planned, managed and delivered all seven projects over 18 months, going live on time in a single cutover. We leveraged a breadth of onsite and offshore domain expertise at each stage, including specialists in record to report (RTR), order to cash (OTC), procure to pay (PTP), commission and repair, as well as technical expertise on business application software integrated solution (BASIS), advanced business application programming (ABAP) and integrations.

This complex but highly successful transformation was delivered in multiple stages:

Assessment and roadmap

We conducted a full assessment of the existing SAP landscape, identifying custom functionality and associated ABAP objects to be considered for conversion. We leveraged our proven transformation assessment methodology (C-TAM) and experience of 35+ previous S/4HANA transformation assessments. The assessment formed the basis of a detailed migration roadmap.

Cloud infrastructure

We configured the new infrastructure in Microsoft Azure Cloud, taking best practices and SAP recommendations into consideration. Systems were deployed using a one-click deployment approach with Terraform scripts. Prior to the cutover, infrastructure was migrated seamlessly from a cloud solution provider (CSP) model to an enterprise subscription. Stress testing was successfully carried out, with user acceptance testing (UAT) confirming that the selected stock-keeping units (SKUs) and the implemented design were best suited for the workload. AzCopy was leveraged to copy the data from the on-premises system to cloud, and continuous synchronization was enabled for delta copy. Post go-live, high availability (HA) and disaster recovery (DR) capabilities were enabled to maximize the resilience of the infrastructure.

SAP S/4HANA configuration

We created a shell of the new S/4HANA system, with no data, on the Azure platform. This allowed us to carry out the required configurations without impacting any data. It was also an opportunity to harmonize Vorwerk's chart of accounts and introduce new parallel ledger functionality to enable faster and smoother accounting across its country-based legal entities.

Bluefield systems migration

We migrated the existing landscape to the new S/4HANA environment, including making appropriate adjustments to the application programming interfaces (APIs) to Vorwerk's SAP CRM and other non-SAP systems in Vorwerk's ecosystem.

Selective data migration

We worked with SNP to conduct multiple cycles of data migration, using its CrystalBridge® tool to safely bring 20 years of customer, account and transactional data into the new S/4HANA environment. A selective data transition (SDT) method was used to prepare and migrate the data that Vorwerk had identified as having the most value for its business.

Testing

After each data migration we conducted integration testing, and then a final UAT to identify any user-facing issues for remediation. We conducted depreciation runs with existing data in the new S/4HANA universal ledger module and tested two years of commission calculations to ensure this morale-critical process would run smoothly.

Cutover and hypercare

The final cutover was a complex one, with multiple transformations going live at once: the S/4HANA migration, the cloud migration, new business processes, a harmonized chart of accounts and a new general ledger environment. Despite this, cutover was extremely successful with minimal issues, no business disruption and no need to engage with SAP. The delivery and test team also stayed on after the cutover to provide a scheduled period of hypercare, ensuring any issues were swiftly and expertly addressed and handing over to the ongoing maintenance team on time as planned.

"This was one of the most successful go-lives of one of the largest projects I have seen in the last 35 years at Vorwerk. We had seven complex projects go live in one weekend with no significant errors. One key success factor was the collaboration between Vorwerk in Germany, Austria and France with Vorwerk International, Vorwerk Group IT, Cognizant and partners—all working together as a joint success team."

Holger Ehser, IT Manager, Vorwerk

Business outcomes

Using a lean migration approach, the business-critical sales and order management system, including 20 years of data, was moved to an SAP S/4HANA and cloud environment over a single weekend, with close to zero downtime.

The speed and success of the migration meant 100,000 Thermomix and Kobold sales advisors across Europe could continue working as normal, while finance professionals could benefit straightaway from the harmonized reporting environment.



With the system going live on time and to plan, Vorwerk now benefits from:

- **Future-proof SAP backend system:** The new SAP S/4HANA system allows Vorwerk sales professionals to benefit from streamlined data models. Modern, high-performance applications accelerate core sales and order management tasks with growing data volumes.
- **Seamless scalability:** Vorwerk's order management systems can now seamlessly scale to handle peaks such as Black Friday by making use of the SAP S/4HANA database. Reporting changes now take a fraction of the time of other database platforms.
- **Harmonized financial processes:** Vorwerk's reporting benefits from new accounting processes based on the Universal Journal and SAP Fiori applications. Full reconciliation across systems considerably accelerates reporting, and the harmonization of reporting structures means Vorwerk can now handle reporting needs across the organization.
- **A platform for growth:** Vorwerk now benefits from a future-proof backend environment and state-of-the-art SAP platform for future growth in the cloud.

A state-of-the-art SAP platform for future growth and expansion

Vorwerk's legacy SAP system had served the company well, supporting revenue growth in four core territories and significantly contributing to the company's three billion euros in annual earnings. But for the next phase of its journey, Vorwerk needed a modern sales and order management system that could easily adapt as the company's business evolves. By partnering with Cognizant and SNP, Vorwerk achieved a smooth migration to SAP S/4HANA and the cloud for the system and its almost 200 interfaces, gaining a state-of-the-art platform for growth while ensuring it stays close to its valued customers.

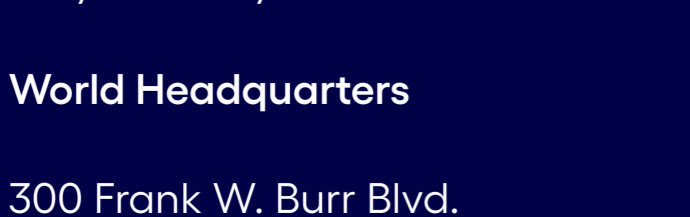
7 major IT projects made live in one weekend with near-zero downtime

200 critical interfaces migrated to SAP S/4HANA and cloud

100,000 Vorwerk sales advisors experienced zero disruption to their work

About Vorwerk

Vorwerk is the number one direct sales company in Europe and the world-leading direct seller of high-quality household appliances. Its core business is the production and sale of superior household products, and the Vorwerk family also includes the akf group. Vorwerk generates consolidated sales of over three billion euros and operates in more than 60 countries. <https://www.vorwerk-group.com/>



Cognizant (Nasdaq-100: CTSH) engineers modern businesses. We help our clients modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at www.cognizant.com or @cognizant.

World Headquarters	European Headquarters	India Operations Headquarters	APAC Headquarters
300 Frank W. Burr Blvd. Suite 36, 6th Floor Teaneck, NJ 07666 USA Phone: +1 201 801 0233 Fax: +1 201 801 0243 Toll Free: +1 888 937 3277	280 Bishopsgate London EC2M 4RB England Tel: +44 (0) 20 7297 7600	5/535, Okkiam Thoraipakkam, Old Mahabalipuram Road, Chennai 600 096 Tel: 1-800-208-6999 Fax: +91 (0) 44 4209 6060	1 Fusionopolis Link, Level 5 NEXUS@One-North, North Tower Singapore 138542 Phone: +65 6812 4000 Email: inquiry@cognizant.com