

4flow whitepaper

5 ways to prepare for the SAP WM transformation to SAP EWM

Warehouse solutions are getting an upgrade

Forward-looking software to manage complexity

Investments in supply chain solutions today are major decisions. They have long-term impact on the agility and profitability of a business. Legacy applications may provide some operational support today, but they are in no way sufficient for maintaining the flexibility and extensibility required in the market now and in the future. With new business models like e-commerce and multi-channel continuing to evolve, warehouse operations have become complex, while simultaneously requiring a business to be able to pivot quickly in the face of supply chain disruptions and fast-emerging trends.

Business analysts estimate the market for warehouse management systems will continue to grow annually. According to Statista, the global market for supply chain management (SCM) is expected to reach almost \$31 billion in 2026¹. Research analyst Fortune Business Insights states that the global market for warehouse management systems (WMS) was valued at \$2.75 billion in 2022². Gartner forecasts that the global WMS market will exceed \$3.35 billion by 2027³.

SAP Extended Warehouse Management (EWM), a core component of the SAP Digital Supply Chain solutions, plays a decisive role in this growing market. In 2023, SAP was once again positioned as a Leader in the Gartner Magic Quadrant for Warehouse Management Systems report based on its ability to execute and completeness of vision in the warehouse management market.⁴



1 Statista: Global supply chain management market size 2020-2026 | Statista
2 Fortune Business Insights:
<https://www.fortunebusinessinsights.com/industry-reports/warehouse-management-system-wms-market-101788>
3 Gartner Inc. 2023 Gartner Magic Quadrant for Warehouse Management Systems
4 Gartner Inc. 2023 Gartner Magic Quadrant for Warehouse Management Systems

Transforming to a future-ready state

Now's the time to plan your migration

Today, there are many companies still using SAP WM as the basis for their warehouse planning and operations. This legacy SAP WM approach has worked for years, and customized warehouse processes were implemented to supplement missing warehouse functionality and whitespaces. This approach has reached the end of its lifecycle with SAP's announcement to end mainstream support for SAP WM in 2027 as part of the ECC 6.0 transition to SAP S/4HANA. For customers using an SAP EWM 9.5 release (based on SAP Business Suite), mainstream support will also end in 2027.

The choice is clear - migrate to the latest SAP EWM release or face higher operational and extension support costs after 2027 to maintain a legacy warehouse management application that can't keep up in today's fast-paced supply chain environment.

Technology has advanced over the years, and a legacy IT application can't provide businesses with the game-changing supply chain advancements and capabilities offered by newer solutions. Increased use of warehouse automation, cloud deployment and the use of artificial intelligence (AI) are just some of the current developments driving progress and increasing productivity in warehouse operations. Businesses need their IT to support the integration of such innovation in their supply chains. To that end, businesses must address the migration from SAP WM to SAP EWM immediately to remain competitive in this fast-paced world of continuous supply chain disruptions.



It's a challenging environment out there

Get ahead of today's biggest challenges

Planning, coordinating and monitoring all the goods movements that affect your warehouse is essential to your business. From the inbound to the outbound movements, warehouse operations are complex, cross-functional business processes. These processes require continuous management and optimization, and they affect core areas of costs and savings in your overall supply chain operations. By leveraging SAP EWM in warehouse operations, your business can address today's most significant challenges, including:



Integration of **warehouse automation**, such as innovative robotics and automated process tools based on natural language processing



Collaboration throughout the supply chain ecosystem, with data exchange between business partners (suppliers, customers, logistics service providers) to enhance end-to-end visibility, tracking and traceability



Support for **advanced warehouse processes** including kitting, JIT/JIS production line feeds, 3PL billing, labor management and value-added services



Leveraging of **artificial intelligence** for decision making and process optimization, while gaining insights into supply chain trends affecting your warehouse

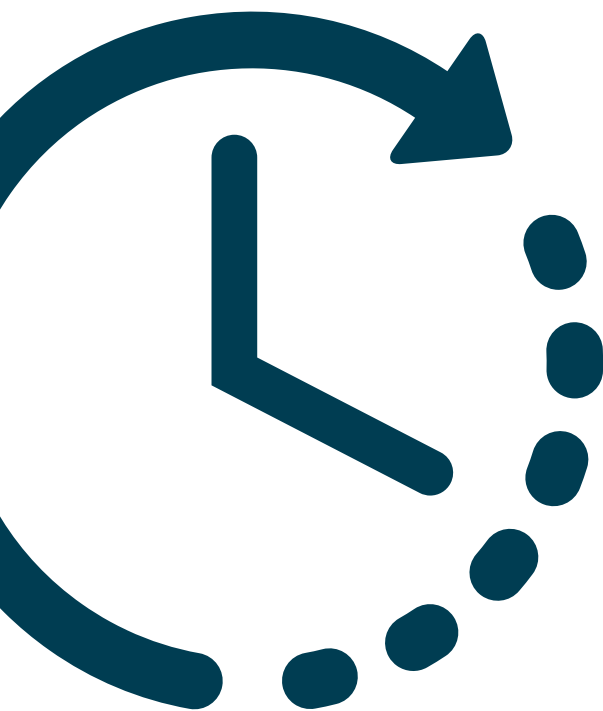
Today, with SAP Extended Warehouse Management (EWM), SAP has a fully functional, best-of-breed warehouse management system. It covers the full spectrum of functionality, from manual warehouses to complex, automated warehouses. SAP EWM has matured since entering the market and plays an integral role in the SAP Digital Supply Chain solutions. The seamless integration with SAP TM (Transportation Management), SAP YL (Yard Logistics) and the SAP Business Network for Logistics (BNfL) create a collaborative, function-rich digital supply chain platform covering end-to-end logistics processes.



For businesses currently using SAP WM, SAP recommends transitioning to SAP EWM to take advantage of the new technologies and functionality available in SAP EWM and on the S/4HANA basis. SAP EWM is recognized in the 2023 Gartner Magic Quadrant for Warehouse Management Systems as a comprehensive and flexible warehouse management system. As an acknowledged market leader, SAP continues to invest in SAP EWM and provide functional enhancements and new technologies to shape and optimize the warehouse operations of the future. Totally integrated in the SAP ERP (SAP S/4HANA), SAP EWM communicates natively to both the SAP ERP and SAP Digital Supply Chain applications. The result is a seamless integration and process flow for warehouse planners and users. For daily users of SAP EWM, working in the same uniform SAP graphic user interface (GUI) requires fewer changes, less training and less system switching than multiple systems would demand.

For a successful migration from your existing SAP WM solution to SAP EWM, 4flow recommends considering the following five key aspects.

Time is running out for existing SAP WM users to organize a migration to SAP EWM to ensure continuity in their warehouse operations and avoid higher support costs in the future.



5 aspects to consider for the migration from SAP WM to SAP EWM

Make the most of your migration

- 1 Do more than just a technical upgrade** – SAP continues to invest in digital supply chain solutions, resulting in releases and function packs that secure your investment in SAP EWM for your warehouse operations. Take the opportunity to evaluate highly customized SAP WM systems that were needed to accommodate functional and process gaps. If possible, streamline business processes and the resulting technical requirements. SAP EWM is a highly configurable and comprehensive warehouse management application. It covers many functions not available with SAP WM. As a result, you can simplify your process landscape and increase the supportability of the SAP EWM solution going forward.
- 2 Take advantage of the latest functionality available** – Core functions in SAP EWM are extended with advanced functionality to support industry-specific processes like JIT/JIS operations, handling of dangerous goods, and customs import/export requirements in conjunction with SAP Global Trade Services (GTS). In addition, the connection to other SAP applications like SAP Cloud Analytics enhances visibility and provides insights into your supply chain so you can make data-driven decisions.
- 3 Leverage automation to address labor constraints** – SAP EWM supports the connectivity to warehouse automation through SAP EWM MFS (Material Flow System). The ability to connect to fixed automation such as ASRS (automated storage and retrieval systems), shuttles, conveyors, carousels and pick-by-light systems as well as flexible automation such as pick-by-voice, AMRs (autonomous mobile robots) and AGVs (automated guided vehicles) lets you adapt warehouse operations to emerging supply chain approaches. Additionally, automation provides a way to address market constraints like the shortage of warehouse workers.
- 4 Consider SAP EWM deployment in the cloud** – Increasing cyberthreats, governmental regulations and data privacy requirements are forcing businesses to address many topics outside their core competencies. Maintaining comprehensive in-house expertise in IT infrastructure, application security and business continuity technologies is becoming more difficult to justify, let alone pay for.

Leveraging cloud deployment in certain areas can help alleviate some of these costs and risks. SAP and hyperscalers make significant investments to provide secure and scalable application platforms in the cloud. The scales of economy achieved also lower the overall costs while maintaining a high level of service. Where warehouse automation is specifically involved, consider the aspects of latency, redundancy and scalability while designing your SAP EWM deployment. An expert partner like 4flow can assist you in evaluating the best SAP EWM deployment options to meet your business requirements.

5 Plan for orchestration and collaboration – Supply chain ecosystem growth means more players in your supply chain operations – and more coordination in order to collaborate successfully. With the SAP Digital Supply Chain solutions and specifically SAP EWM, systems must work together with solutions like parcel management, global trade and returns management to fulfill both operational and compliance functions. Connecting warehouse operations with transportation management and yard logistics is no longer optional, as processes go hand-in-hand to provide end-to-end supply chain flows, achieve supply chain visibility and facilitate data-driven decisions. SAP EWM is part of an expanding ecosystem in the digital supply chain with SAP TM, SAP Yard Logistics, SAP Business Network for Logistics and SAP add-ons by 4flow.



Full steam ahead

Start your transformation now

Businesses using SAP WM are facing time pressure to migrate to SAP EWM. A migration offers numerous opportunities to take advantage of the technical, functional, and operational advancements that SAP EWM provides. Leveraging an experienced SAP EWM partner is the key to ensuring your migration is a success.

4flow has SAP Recognized Expertise in Supply Chain Management in Germany and is a silver service partner for SAP Digital Supply Chain solutions. 4flow has many years of experience implementing SAP EWM for both manual and complex, fully automated warehouses.

From strategic management consulting, warehouse design and best practices consulting to SAP Digital Supply Chain consulting and implementation services, 4flow provides businesses with a comprehensive end-to-end warehouse solution based on SAP EWM in today's fast-paced supply chain environment.



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