PwC's Point of View on

Enterprise architecture and business process transformation

SAP Signavio and LeanIX

pwc

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Introduction

In the shifting landscape of today's ever-changing business world, companies are facing a multitude of challenges, with the need to cut costs, build resilience and drive sustainability among the most pressing. IT has an increasingly strategic role in solving these challenges, necessitating stronger collaboration between business and IT to secure long-term success of the business while also supporting global ESG goals. These two essential elements – digital transformation and sustainable transformation – make up the so-called "twin transition". The twin transition is all about marrying green initiatives – covering the environmental, social and governance dimensions – with cutting-edge technology such as data analytics, AI, the Internet of Things and automation.

This point of view illustrates how a combination of SAP's business process-focused Signavio suite and LeanIX, the "Google Maps of IT", can foster digital transformation and sustainability – both of and through IT. We also introduce two distinct use cases that underscore the versatility of SAP Signavio and LeanIX in facilitating successful digital transformation.

A holistic view on enterprise architecture and business process transformation

In 2023, SAP acquired LeanIX, opening up a unique opportunity: merging the capabilities of SAP Signavio and LeanIX allows companies to benefit from a comprehensive solution that covers both the IT landscape and business processes. This provides a holistic view of the enterprise architecture and enables companies to identify synergies, eliminate redundancies and boost efficiency. Combined with PwC's unique capability of truly delivering from strategy through to execution, this combination is set to propel transformation to a new level: bridging the gap between enterprise architecture and business processes enables seamless process optimisation, better decision-making, more effective collaboration, scalability, and flexibility – all of which are essential in today's rapidly evolving digital world. This enables companies to identify and address bottlenecks, redundancies and inefficient workflows, delivering significant cost savings and increasing efficiency.

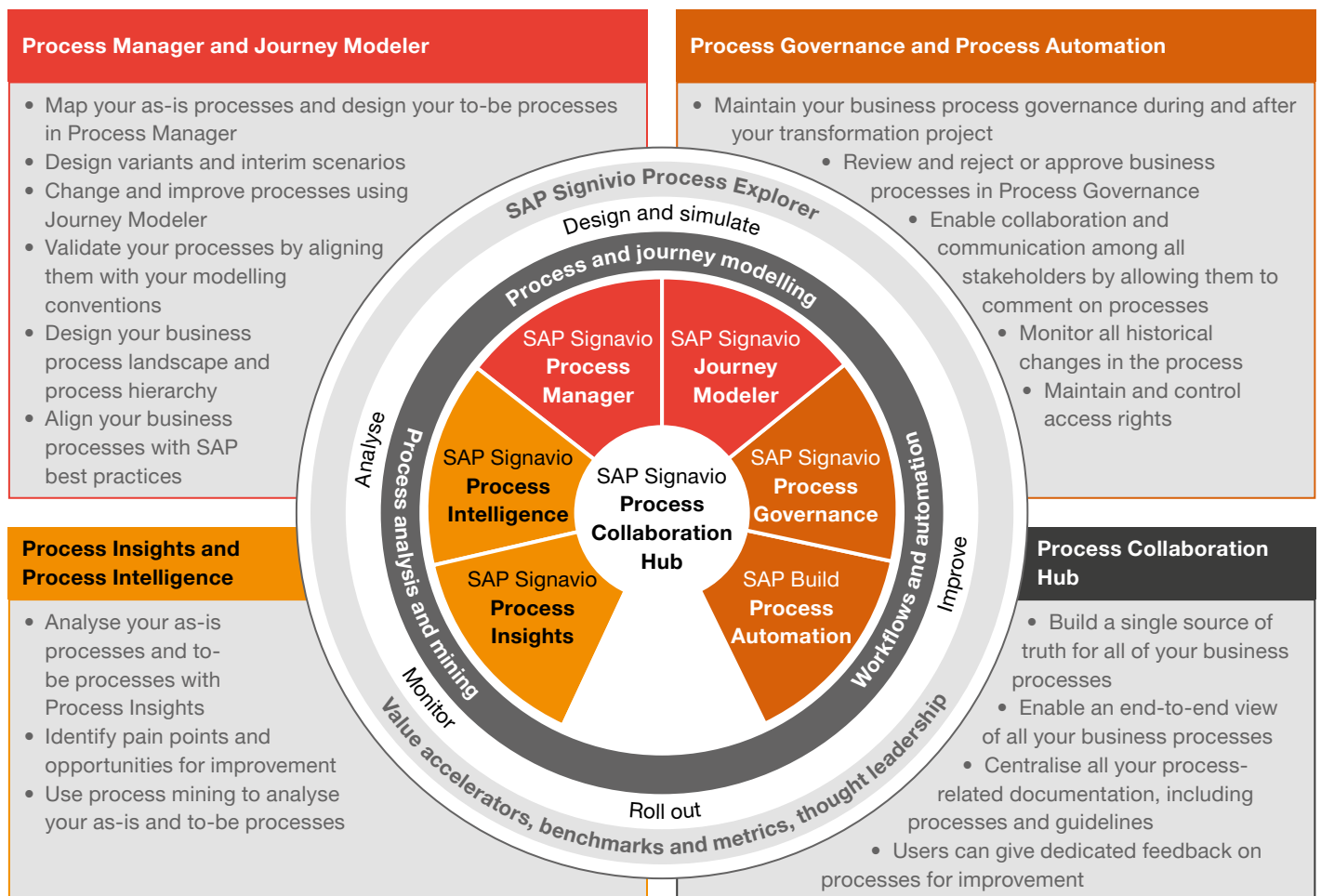# Business process transformation with SAP Signavio

What is business process transformation?

Business process transformation (BPT) is a holistic approach to improving an organisation's operational processes, with the aim of improving efficiency, adaptability and scalability. BPT is therefore a key driver of success to improve competitiveness – but most companies are still facing a backlog in creating efficient and transparent end-to-end business processes. BPT involves designing, modelling, implementing, monitoring, optimising and automating end-to-end business processes to ensure that they are aligned with the organisation's strategic goals and ultimately deliver value to customers and employees.

Why SAP Signavio?

The main benefit of SAP Signavio is that it's a holistic suite: it provides all key success factors on a single platform, avoiding the need for multiple interfaces in an unstructured IT environment. It covers a wide variety of useful features – from building a single source of truth for business processes and getting faster insights into business processes, to building an improvement mindset by increasing agility and reducing time to action.

Fig. 1   The Signavio tool suite supports all levels of ambition

Process Manager and Journey Modeler

- Map your as-is processes and design your to-be processes in Process Manager
- Design variants and interim scenarios
- Change and improve processes using Journey Modeler
- Validate your processes by aligning them with your modelling conventions
- Design your business process landscape and process hierarchy
- Align your business processes with SAP best practices

Process Governance and Process Automation

- Maintain your business process governance during and after your transformation project
- Review and reject or approve business processes in Process Governance
- Enable collaboration and communication among all stakeholders by allowing them to comment on processes
- Monitor all historical changes in the process
- Maintain and control access rights

Process Insights and Process Intelligence

- Analyse your as-is processes and to-be processes with Process Insights
- Identify pain points and opportunities for improvement
- Use process mining to analyse your as-is and to-be processes

Process Collaboration Hub

- Build a single source of truth for all of your business processes
- Enable an end-to-end view of all your business processes
- Centralise all your process-related documentation, including processes and guidelines
- Users can give dedicated feedback on processes for improvement

The Signavio process transformation suite can support your organisation on every step of your transformation journey.

LeanIX: introduction and potential

LeanIX is a cutting-edge software platform that empowers organisations to effectively manage their enterprise architecture. It provides a comprehensive suite of tools to map, visualise and analyse an organisation's IT ecosystem, enabling businesses to make informed decisions about investment and strategy when it comes to technology. LeanIX offers valuable insights into the complex relationships between IT components and therefore helps companies to optimise their IT environment, enhancing efficiency and driving innovation.

Use cases

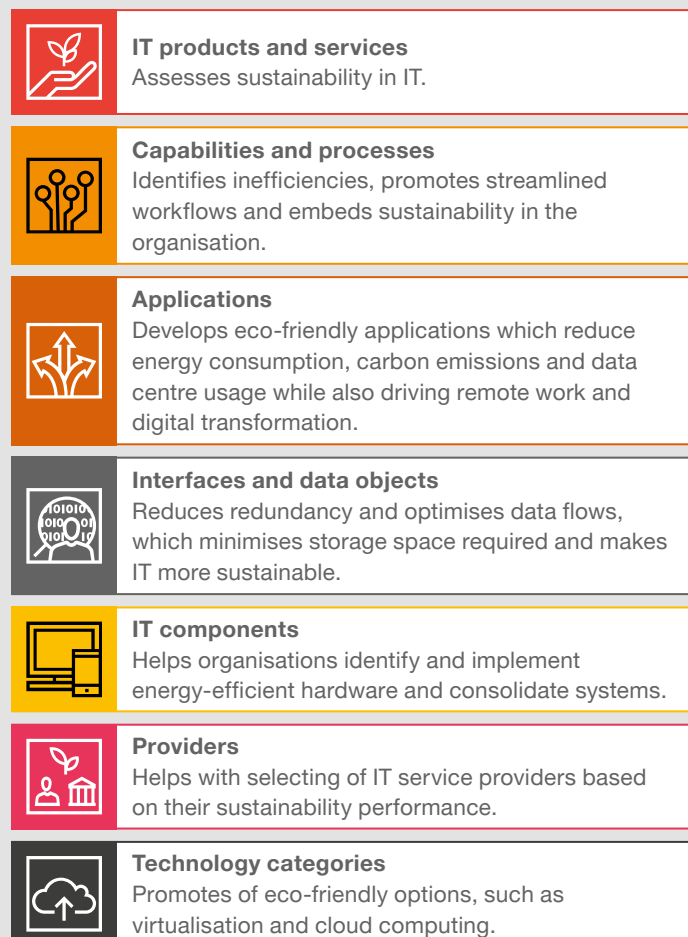## Use case 1: sustainability of and through IT

Enterprise architecture management, as enabled by solutions such as LeanIX, acts as a compass for evaluating and governing sustainability. It facilitates the adoption of eco-conscious practices and technologies, ensuring that IT products, services, capabilities, processes, interfaces, data objects, components, providers and technology categories align with sustainability objectives. With our extensive expertise, PwC can support companies to implement LeanIX for enterprise architecture management, laying the foundations for a sustainable and digital transformation.

A strategic analysis often begins with a deep dive into a company's enterprise architecture. When it comes to sustainability in IT, there are two key perspectives: sustainability through IT and sustainability of IT (Fig. 3).
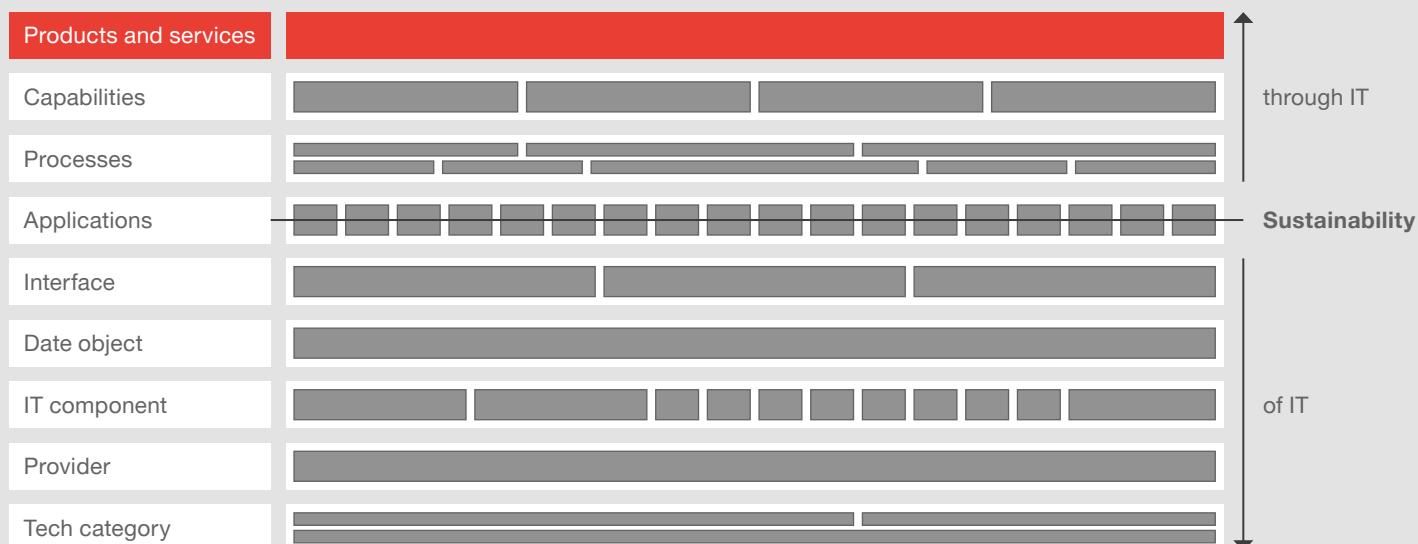
Sustainability through IT encompasses everything IT-related that supports creating value more sustainably, such as hybrid working, eco-friendly travel, energy-efficient buildings and Products as a Service.

Sustainability of IT involves addressing the footprint of a company's IT organisation. Focus areas include efficiency of data centres and cloud systems, application portfolio management, green coding, circular IT hardware, or vendor management and procurement.

Fig. 2 **The Enterprise Architecture Layers provide a solid framework for systematically assessing a company's sustainability**

IT products and services
Assesses sustainability in IT.

Capabilities and processes
Identifies inefficiencies, promotes streamlined workflows and embeds sustainability in the organisation.

Applications
Develops eco-friendly applications which reduce energy consumption, carbon emissions and data centre usage while also driving remote work and digital transformation.

Interfaces and data objects
Reduces redundancy and optimises data flows, which minimises storage space required and makes IT more sustainable.

IT components
Helps organisations identify and implement energy-efficient hardware and consolidate systems.

Providers
Helps with selecting of IT service providers based on their sustainability performance.

Technology categories
Promotes of eco-friendly options, such as virtualisation and cloud computing.

Fig. 3   Segmenting Sustainable IT into two distinct perspectives provides a clearer understanding and more targeted implementation strategies

For CIOs embarking on the twin transition, this two-pronged perspective provides a useful framework for strategic analysis – both improving the way IT operates and leveraging IT to improve broader business practices. Now that LeanIX has been integrated into the SAP group, companies have access to a powerful toolbox for driving synergies between processes and enterprise architecture.

Sustainability of IT

Efficient use of resources is the cornerstone of reducing emissions with sustainable IT. Identifying inefficient processes with SAP Signavio and outdated IT systems with LeanIX enables organisations to consolidate resources, significantly decreasing energy consumption and associated carbon emissions. This not only lowers operational costs but is also in line with sustainability goals, promoting eco-friendly practices. Integration enables sustainable IT decisions, helping companies identify which IT systems offer energy-efficient alternatives to outdated systems.

Alongside efficient processes, a robust sustainable IT strategy also involves comprehensive lifecycle management. An enterprise architecture platform, such as LeanIX, plays a crucial role in mapping out the entire lifecycle of IT assets, from procurement to retirement. A strategic approach to decommissioning and disposal, as enabled by LeanIX, allows minimising electronic waste, further improving sustainability. This holistic perspective, when combined with process optimisation tools such as SAP Signavio, provides organisations with a powerful toolkit to not only streamline operations but also champion environmental responsibility throughout the IT asset lifecycle.

In the end, it's not just about doing things more sustainably: it's about doing things smarter. And about getting started. This is why PwC and LeanIX joined forces with a client – Viega, Germany's leading plumbing installation company – to develop a scalable solution aligned with real client needs. This collaboration is a baseline and a blueprint for kicking off sustainable enterprise architecture initiatives. More information can be found here in our detailed point of view.

Sustainability through IT

Since January 2023, European regulations for sustainability have been steadily growing, prompting companies to embark on CSRD-compliant reporting ready for mandatory ESRS disclosures in 2024. These deadlines are putting pressure on companies, and this is being compounded by the need to obtain accurate and comprehensive data. Having a better overview of your enterprise architecture and business processes – as enabled by LeanIX and SAP Signavio – makes it easier to create sustainability reports and track key environmental metrics, which is crucial for transparency. Integrating data from various sources helps organisations evaluate the environmental impact of their IT assets and business processes.
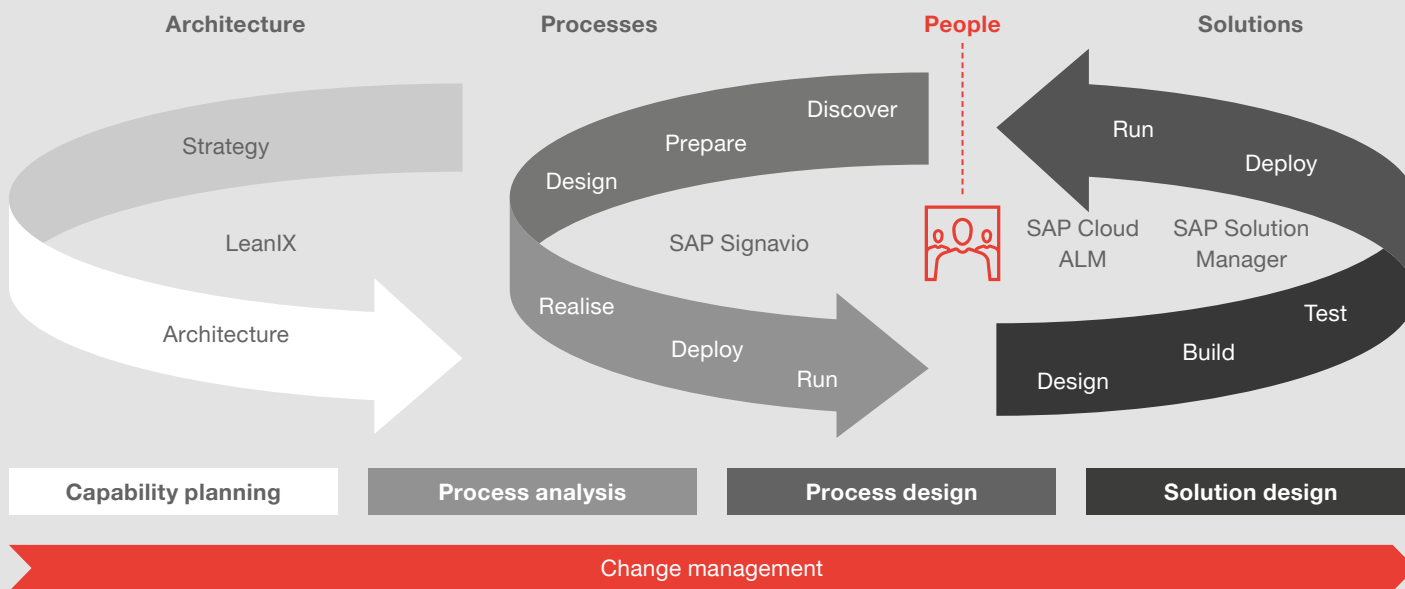
Combining LeanIX and SAP Signavio can thus be very useful when it comes to environmental regulations, helping to ensure that a company stays on track of its sustainability commitments and complies with all relevant environmental regulations and standards. This is crucial to avoid penalties and maintain the company's image around environmental responsibility. Finally, this combination also offers significant opportunities for a company's sustainability journey through and of IT, further great potential can be distinguished for digital transformation as well. In this context, PwC can accompany companies on their path to sustainability and support with a successful transformation.

The S/4HANA transformation journey is a pivotal undertaking for companies looking to innovate in their digital infrastructure and optimise their business processes. LeanIX and SAP Signavio, seamlessly integrated, represent a transformative solution, offering a holistic and efficient way to gain insights into IT architecture and business processes on a sin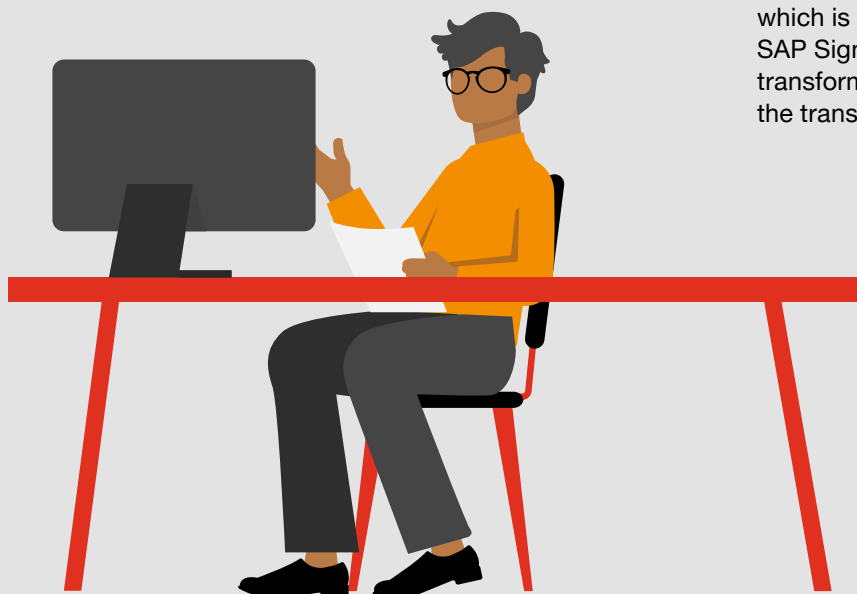gle platform. The integration of these two solutions eliminates large amounts of manual work, which was previously necessary for inputting capability information from disparate systems into SAP Signavio to document current business processes. The result is a streamlined and more cohesive approach to managing the complexities of process analysis and process design when implementing S/4HANA.

Fig. 4   Accelerating S/4HANA transformation with SAP Signavio and LeanIX

SAP Signavio and LeanIX can also help with all other important phases of implementing S/4HANA. The importance of the initial milestone of the discovery phase, in particular, cannot be overstated, as it has a fundamental impact on the subsequent transformation journey. Both tools play a pivotal role in this phase by enabling existing processes and operational workflows to be screened. They also help with analysing the IT landscape, providing crucial insights for decision-making and capability planning.

The design and preparation phase offers further synergies with SAP Signavio and LeanIX. LeanIX helps to expedite process design within SAP Signavio by seamlessly incorporating information on capabilities (e.g. data objects, such as IT system attributes) directly into the process flowcharts and keeping this information up to date. This collaborative approach ensures accuracy and standardisation in the design of process flowcharts. It also facilitates data maintenance and data governance by laying a robust foundation in the SAP Signavio Dictionary, which is crucial for the subsequent transformation stages. SAP Signavio and LeanIX can not only support during the transformation journey but also deliver useful insights after the transition.

Conclusion

SAP's acquisition of LeanIX presents a unique opportunity to seamlessly align sustainability goals with the digital transformation – in other words, to create a true twin transition. Now is the time to act to drive transformation and integrate it into your business strategy, positioning your company at the forefront of the evolving world of business. This will help ensure long-term competitiveness, customer loyalty and responsible environmental stewardship.

At PwC, we bring together up-to-the-minute technical know-how with the organisational and people skills that every transformation needs – all to provide you with a holistic approach to your organisational transformation journey.

Contacts

Silke Schelkmann
Partner, Cloud & Digital,
PwC Germany
silke.schelkmann@pwc.com

Katrin Hamann
Partner, Finance Transformation,
PwC Germany
katrin.hamann@pwc.com

Gunther Dütsch
Partner, Sustainability Services,
PwC Germany
gunther.duetsch@pwc.com

Co-Autors

Estelle Places, Cornelia Dittrich, Victoria-Maria Beinert, Jennifer Brill and Sophie Bodnár

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Our clients face diverse challenges, strive to put new ideas into practice and seek expert advice. They turn to us for comprehensive support and practical solutions that deliver maximum value. Whether for a global player, a family business or a public institution, we leverage all of our assets: experience, industry knowledge, high standards of quality, commitment to innovation and the resources of our expert network in 151 countries. Building a trusting and cooperative relationship with our clients is particularly important to us – the better we know and understand our clients' needs, the more effectively we can support them.

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