Case study: SAP S/4HANA® transformation

Eldorado Gold and EY

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Building a better working world

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An SAP-enabled strategic initiative

Business imperatives

Targeted operational improvements — reduction in manual activities, reduction in spend and improved asset reliability

Technical imperative to address retiring technology (SAP ECC 6.0 and Oracle Hyperion HFM)

SAP capabilities not being used to full potential

Decentralized and isolated processes

Limited visibility and integration between sites and regions

Heavily reliant on spreadsheets

Setting up the company for longer-term strategic growth and improvement

These business imperatives led the team to a strategic program that would yield:

1

Harmonized processes, integrated solutions and a single platform

2

Reduction of manual activities and focus on higher-level functions

3

Data-driven decision-making and advanced analytics based on reliable, well-governed data
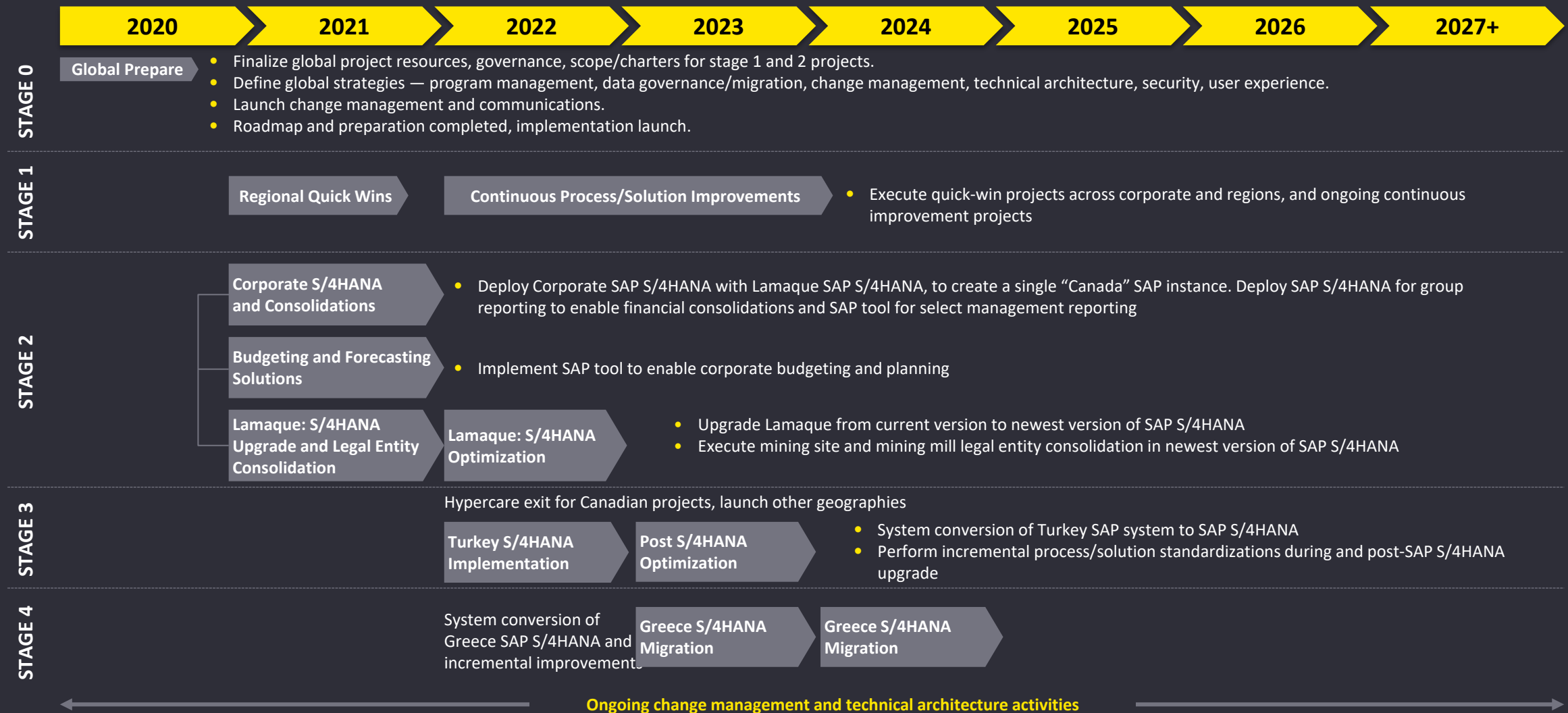
4

Improved processes and solutions with increased organizational capability

5

An optimally run and flexible organization that can scale and grow with minimal assistance

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Overview and highlights of the Eldorado program

2020	2021	2022	2023	2024	2025	2026	2027+

STAGE 0

Global Prepare
- Finalize global project resources, governance, scope/charters for stage 1 and 2 projects.
- Define global strategies — program management, data governance/migration, change management, technical architecture, security, user experience.
- Launch change management and communications.
- Roadmap and preparation completed, implementation launch.

STAGE 1

Regional Quick Wins

Continuous Process/Solution Improvements
- Execute quick-win projects across corporate and regions, and ongoing continuous improvement projects

STAGE 2

Corporate S/4HANA and Consolidations
- Deploy Corporate SAP S/4HANA with Lamaque SAP S/4HANA, to create a single "Canada" SAP instance. Deploy SAP S/4HANA for group reporting to enable financial consolidations and SAP tool for select management reporting

Budgeting and Forecasting Solutions
- Implement SAP tool to enable corporate budgeting and planning

Lamaque: S/4HANA Upgrade and Legal Entity Consolidation

Lamaque: S/4HANA Optimization
- Upgrade Lamaque from current version to newest version of SAP S/4HANA
- Execute mining site and mining mill legal entity consolidation in newest version of SAP S/4HANA

STAGE 3

Hypercare exit for Canadian projects, launch other geographies

Turkey S/4HANA Implementation

Post S/4HANA Optimization
- System conversion of Turkey SAP system to SAP S/4HANA
- Perform incremental process/solution standardizations during and post-SAP S/4HANA upgrade

STAGE 4

System conversion of Greece SAP S/4HANA and incremental improvements

Greece S/4HANA Migration

Greece S/4HANA Migration

Ongoing change management and technical architecture activities

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Keys to success: the PEOPLE

1

> An optimized multidisciplinary team that represents various skills, capabilities and in-depth knowledge from across functions is critical to the overall success of any transformation.

1 — **Securing executive commitment for resources**

The value of the program is heavily dependent on the knowledge and expertise of the people engaged; the seamlessness of the delivery is connected to resource commitment and executive support.

2 — **Identifying the right people for critical roles**

The ideal team has a multitude of different skill sets and experience (business, IT, data, cross-functional) — both to contribute to the project and gain knowledge for new roles afterward.

3 — **Solidifying an enablement plan**

When you select the right resources, rather than the most available people, a detailed enablement plan is required to backfill, hire and plan for each critical role and person.

4 — **Setting the team up for success**

To be successful, team members need to fully understand their roles and the program plan, be empowered to make decisions throughout the project, and act as change ambassadors throughout the program.

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2 Keys to success: the PREPARATION

> Over the years, most companies have elected to shift certain program activities earlier in their roadmap to set up the execution for success. Focusing on the right activities up front can be a major differentiator.

1 ### Aligning on strategic vision

A critical starting point is executive alignment on the strategic vision of the company, the main goals of the program and how transformational it should be.

2 ### Defining the scope

The team must align on and document the desired changes to operating models, processes, roles, data and analytics — then, the EY/SAP professionals can determine the solution enablement required.

3 ### Planning the program

Defining the scope and diving deeper into critical path activities (e.g., data cleansing) can provide the input for a detailed, bottom-up program plan.

4 ### Establishing governance

Once the program is optimally planned, strong governance keeps the program on track, helping with decision-making, scope adherence, risk mitigation and issue management.

3   Keys to success: the CHANGE MANAGEMENT

Leading practice change management techniques are required to ensure the business adopts the improved processes/solutions, the value is realized from the program, and the team has a good experience.

1   Organizational readiness

The change management process begins with understanding the stakeholder alignment, the organization's readiness for transformation/change, and the capabilities to execute such a program.

2   Proactive and pervasive change management

Transformation is best managed pre-emptively with business buy-in along the way — for the program (plan, scope and approach) and the end state (processes, solutions, data, roles, etc.).

3   Business ambassadors and evangelists

While CM experts will define the strategy, plan and tactics, and EY teams will utilize these throughout the program, having business ambassadors executing critical activities throughout is a staple of strong CM plans.

4   Strong communication

Transparent and clear information being communicated at the right time, by the right people, will help the team to bring the most value and remain engaged — and help the broader organization to trust the program and understand upcoming changes.

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4 Keys to success: the ROADMAP

A robust, reliable roadmap is critical to any program. It should include the top-down vision but align with the bottom-up details and provide program visibility to all stakeholders.

1 Short-term wins

Balancing short-term wins against long-term gains helps the company stay motivated and helps fund the broader roadmap. It also generates stakeholder buy-in as the transformation gathers steam.

2 Well-paced and realistic

Consultants can execute programs quickly, but the company resource constraints, appetite for change and other business priorities need to be factored in.

3 Reliable and flexible

While the detailed scope, resources and plan (and associated buy-in) ensure the roadmap is reliable, it must also be flexible enough to add or change activities based on business direction and priorities.

4 Visibility into critical information

A strong roadmap provides information to stakeholders on what costs will occur when, what resources will be required when, what changes will occur when, and what benefits will be realized when.

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A strong foundation for the future

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Mining enterprises are operating in a complex time and balancing many priorities from different stakeholders. Whether your focus is on decarbonization and ESG, meeting capital markets disclosure and transparency demands, recouping infrastructure investment, dealing with geopolitical challenges and changes, obtaining and retaining talent, moving towards innovation and growth, or all of the above — rapidly transforming has never been more vital.

"

An SAP S/4 program can help you meet macro industry challenges, achieve your business goals, enable your strategic direction, increase your organizational resiliency, and set the foundation for your successful future growth."

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