



White Paper

Transforming Logistics

How C5MI Led the First Successful SAP S/4HANA® Migration for the U.S. Department of Defense (DoD) at the Defense Logistics Agency (DLA)

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Executive Summary

C5MI achieved a significant milestone by completing the first-ever SAP S/4HANA migration for the Department of Defense (DoD) at the Defense Logistics Agency (DLA). This groundbreaking initiative, the first of its kind within the DoD, established a new standard for future migrations and highlighted C5MI's proficiency in managing intricate projects with minimal risk and significant cost savings. The record-breaking speed of the migration showcased C5MI's expertise and unwavering commitment to excellence, highlighting their ability to deliver high-quality results under tight timelines.

Migrating 86 sites, with plans to expand to 125 sites, significantly improved operational efficiency and streamlined processes across the organization. Successfully executing this project positioned DLA for future transformations, leveraging new capabilities in SAP S/4HANA, including AI, Industry 4.0, and automation. The overall knowledge and insights gained from this project set the stage for future initiatives and continuous improvement, ensuring that the DLA remains at the cutting edge of technological advancements.

Migrating to SAP S/4HANA represented a significant transformation involving technical data model changes, including adaptation of external analytical solutions, and ensuring zero impacts to DLA's integration with other internal systems. Completing this project showcased the true ability C5MI possess in delivering complex transformations with minimal risk and maximum impact, setting a new industry standard for excellence.

Key Highlights



First S/4 Migration

Inside DoD at DLA



2-Month Migration

Fastest Ever in SAP®



\$21 Million Saved

Lowering Project Costs



Template Created

Optimizing Future Migrations



Introduction

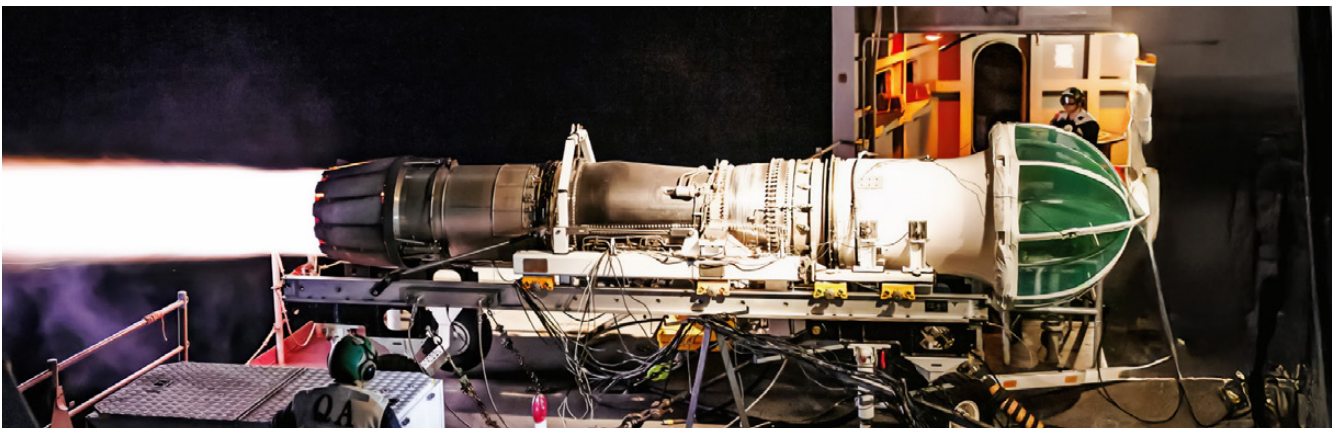
Migrating to SAP S/4HANA was a critical step for organizations using SAP, as it offered enhanced capabilities and future-proofed operations. Recognizing the need for this transition, the DLA partnered with C5MI to lead the project. This white paper detailed this ambitious project's journey, challenges, and successes, highlighting the strategic importance of migration for the DoD.

The SAP S/4HANA migration significantly transformed the data model, infrastructure, and main integration processes. Meticulous planning, collaboration, and execution ensured a smooth transition with low disruption to ongoing operations. Completing this project showcased C5MI's ability to deliver complex transformations with minimal risk and maximum impact.

The strategic importance of this migration is immense. It set the stage for future innovations and improvements within the DoD, enabling the organization to leverage new capabilities and technologies. The team applied lessons from this project to inform future migrations and drive continuous improvement, positioning DLA as a leader in digital transformation.

The journey to SAP S/4HANA began with clearly recognizing the need for transformation. The DLA understood that embracing the latest technological advancements was essential to maintaining operational excellence and supporting the Warfighter. This realization led to a partnership with C5MI, a firm known for its expertise in business transformation and SAP implementations.

The migration project was not just about upgrading software; it involved a comprehensive assessment of existing systems and meticulous planning to ensure a smooth transition. This approach enabled DLA to achieve what many thought was impossible, and the project's success is a testament to C5MI's ability to deliver complex transformations with minimal risk and maximum impact.



Laying the Foundation

The project began in 2020 with detailed discussions and meticulous planning, involving key stakeholders such as Jim Daniels, the portfolio owner in Corpus Christi. Despite initial skepticism from various parties, C5MI utilized its extensive experience and technical expertise to secure project approval for the ambitious migration plan presented in Battle Creek, MI. The dedicated team focused on successfully overcoming significant technical and organizational challenges to transition to SAP S/4HANA. This ambitious move not only demonstrated C5MI's capability to handle rather complex migrations but also highlighted their strategic approach and resilience in the face of doubt. By merging all the existing systems and upgrading the infrastructure, C5MI established a benchmark for future transformations within the DoD in two key areas:



1. Streamlining Operations

During the initial assessment, C5MI identified several opportunities to enhance operational efficiency within the DLA. Implementing a Warehouse Management System (WMS) was critical in optimizing inventory management, order fulfillment, and space utilization. These improvements led to substantial enhancements in operational workflows.

- **Optimizing Inventory Management:** A WMS reduced excess stock and prevented stockouts by providing real-time inventory visibility, leading to lower carrying costs.
- **Speeding Up Order Fulfillment:** Automating picking, packing, and shipping processes minimized manual work, speeding up order processing and improving customer satisfaction.

2. Conquering Obstacles

The project faced numerous challenges, including technical hurdles and organizational resistance. However, C5MI's commitment to excellence and determination to succeed drove the project forward. The team's innovative approach and proactive problem-solving were key to overcoming these challenges and setting the stage for a successful migration.

- **Addressing Technical Challenges:** The initiative incorporated innovative solutions and proactive problem-solving to tackle technical hurdles, ensuring smooth progress and adaptability.
- **Overcoming Organizational Resistance:** The effort was designed to support milestone and off ramps to address concerns about upfront costs and potential impact to deployments.

Strategic Assessment & Approach

C5MI assessed existing systems and developed a migration strategy for the DLA, focusing on minimizing risk and ensuring a smooth transition to SAP S/4HANA. Collaboration with DLA and stakeholders was key to navigating complexities and ensuring a successful rollout.

Comprehensive System Evaluation:

The project's initial phase involved evaluating existing systems to identify risks and challenges. C5MI's experts conducted a detailed analysis, highlighting the importance of understanding the current state. This evaluation was crucial for developing a migration strategy to minimize disruption and ensure a smooth transition by:

- **Analyzing Systems:** Evaluating existing systems to identify potential risks and challenges.
- **Developing Strategy:** Creating a detailed migration strategy to minimize disruption and ensure a smooth transition.
- **Partnering for Success:** Working together to maximize the value of SAP NS2 and MaxSecure services and risk mitigation.

Collaborative Strategy Development

Collaboration with DLA and stakeholders was crucial. C5MI worked closely with the government team by leveraging key expertise to navigate internal challenges and ensure a smooth transition to SAP S/4HANA. Effective communication and alignment of all stakeholders were key to achieving the overall project's goals by:

- **Collaborating with Stakeholders:** Working closely with DLA and other stakeholders to develop a collaborative migration strategy.
- **Leveraging Expertise:** Utilizing the extensive expertise and knowledge of the government team to navigate and overcome internal challenges effectively.
- **Addressing Challenges:** Overcoming internal challenges through effective collaboration and clear communication.

Proactive Problem-Solving

The team used a proactive problem-solving approach to address any issues during the migration planning. They developed intentional project and remediation plans to promptly and effectively manage challenges. Implementing fallback plans was a key strategy to mitigate risks and ensure a smooth transition.

- **Creating Remediation Plans:** Developing detailed plans to address issues, including steps for identifying, analyzing, and resolving problems promptly.
- **Implementing Fallback Plans:** Establishing comprehensive fallback plans to ensure an overall smooth transition and effectively mitigate potential risks.
- **Creating Comprehensive Regression Test Plans:** Utilizing both Systems Integrator and DLA internal user acceptance testing across multiple environments, along with end-to-end interface testing and tracking user interface changes, to minimize training impacts.

Impact Assessment and Scope Management

The project included a detailed impact assessment to understand the scope and potential effects on other agencies, including the Navy and Air Force. C5MI effectively managed the scope, ensuring the migration did not disrupt ongoing operations and aligned all stakeholders with the project's goals. This assessment and scope management were critical in setting up the rollout for success, facilitating integration and collaboration across multiple entities. By addressing potential challenges and coordinating efforts, C5MI ensured that the migration proceeded smoothly and efficiently, minimizing risks and maximizing the benefits for all involved parties.

- **Assessing Impact:** Conducting a thorough assessment of the project's impact on other agencies and operations.
- **Managing Scope:** Aligning the project goals and minimizing disruption to ongoing operations.
- **Aligning Stakeholders:** Achieving alignment among all stakeholders with the project's goals.

Transition to Execution

With a solid foundation built through thorough assessment and strategic planning, C5MI was ready to enter the project's execution phase. Careful planning and proactive problem-solving strategies ensured the team was prepared to handle the migration's complexities. Collaboration and alignment with stakeholders provided a strong support system, setting the stage for a seamless and efficient rollout of SAP S/4HANA across the DLA's operations. This strategic approach facilitated a smooth transition and positioned the DLA to leverage new technological capabilities effectively, driving future innovations and improvements.



Executing the Vision

The execution phase of the C5MI SAP S/4HANA migration project for the DLA involved meticulous planning, proactive problem-solving, and a phased implementation approach. This strategic execution minimized disruption to ongoing operations while achieving significant milestones. The dedication and expertise of the C5MI team were instrumental in overcoming obstacles and driving the project in eight distinctive areas.



Sandbox Testing: Starting with sandbox testing in September 2024, potential issues were identified and addressed before full implementation. This crucial step mitigated risks and ensured a smooth transition by allowing the team to resolve problems in a controlled environment.



Phase Development: The team began developing and testing in late November 2024 following successful sandbox testing. They carefully phased the migration to ensure minimal disruption to ongoing operations and maintain business continuity.



Phase Rollout: The migration was carried out in phases to reduce disruptions to ongoing operations. This approach enabled continuous monitoring and adjustments, ensuring stability, efficiency, and seamless integration of new processes.



Problem Solving: Addressing issues during the migration required proactive problem-solving and continuous remediation. Intentional project and remediation plans were essential to monitoring the project's overall progress.



Remediation Plans: Developing detailed remediation plans to identify and address all issues, promptly managing challenges, and sustaining project momentum. This approach ensured the project achieved successful outcomes.



Partner Collaboration: Building strong partnerships between C5MI, DLA, NS2, AFS, and SAP, C5MI drove and pioneered the project with key collaborators to navigate challenges. Collaboration played a key role in the project's success.



Technology Conversion: Managing significant data model changes to ensure minimal deployment disruption. This was executed through Brownfield and Greenfield strategies to both optimize the transition and maintain system integrity.



Agile Practices: A scrappy "Get Stuff Done" (GSD) approach was adopted for the project. Using an iterative method also supported agility and showcased the team's ability to solve problems efficiently.

Seamless Rollout

The rollout phase of the SAP S/4HANA migration project showcased the speed, efficiency, teamwork, and collaboration that defined the entire initiative. With the migration deployed swiftly across multiple locations, operations were significantly enhanced from the start, equipping the DLA with unprecedented efficiency. Improved processes and streamlined workflows became evident from the outset, and stakeholders provided overwhelmingly positive feedback, validating the project's success.



Deployment Across Sites

The team meticulously planned and executed the rollout phase, ensuring a smooth transition to SAP S/4HANA across 86 sites, with plans to expand to 125. This integration significantly improved efficiency and streamlined processes. Deploying SAP S/4HANA enabled better data integration, faster processing times, and enhanced workflows. The team's speed and efficiency demonstrated their ability to execute complex transformations swiftly and effectively.



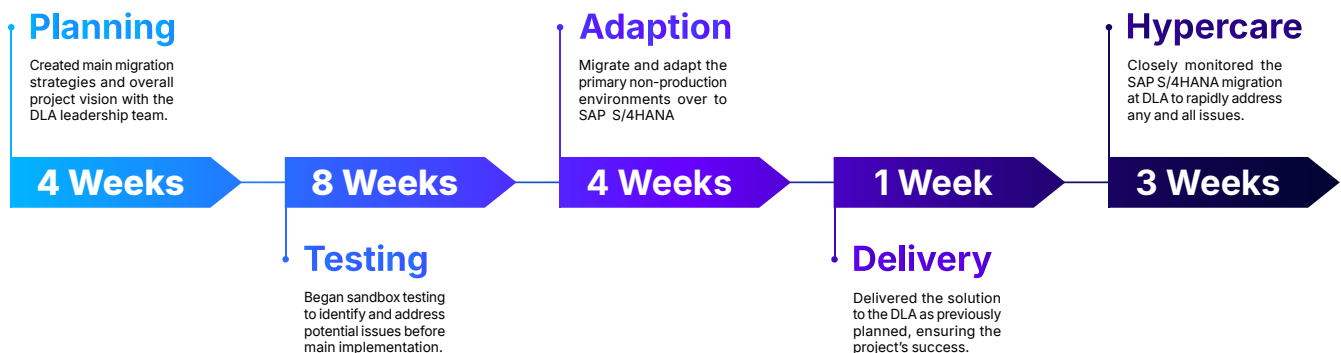
Teamwork and Collaboration

Exceptional teamwork between C5MI, DLA, and stakeholders drove the rollout's success. Close coordination and clear communication were essential to overcoming challenges while the team's collaborative efforts swiftly addressed issues and kept the project on track. The dedication and expertise from the entire project team was evident in every phase, from planning to execution. This seamless collaboration was crucial, underscoring the importance of strong partnerships in achieving complex transformations.



Stakeholder Feedback

Feedback from stakeholders was overwhelmingly positive, validating the project's success. They appreciated the improved efficiency, streamlined processes, and minimal disruption to operations. This positive reception highlighted the rollout strategy's effectiveness. The successful rollout demonstrated C5MI's ability to deliver complex transformations with minimal risk and maximum impact. Collaborative efforts between C5MI, DLA, and other stakeholders were crucial in navigating challenges and ensuring success.



Transformative Impact

The migration provided substantial long-term benefits and better positioned the DLA for future transformations. It paved the way for leveraging new capabilities in SAP S/4HANA, including Industry 4.0, AI, and automation. The lessons learned and insights gained from this initiative informed future projects, driving continuous improvement and innovation. These advancements ensured that DLA remained at the forefront of technological progress, operational efficiency, and strategic growth.

Long-Term Benefits

The post-rollout impact of the SAP S/4HANA migration was nothing short of substantial, positioning the DLA for future transformations. This project paved the way for leveraging new capabilities like AI, Industry 4.0, and automation. Lessons and insights from this initiative informed future migrations and drove continuous improvement in three key areas.



1. Enhanced Capabilities

- **AI Integration:** Leveraging AI to enhance decision-making and operational efficiency. AI analyzes vast data to provide actionable insights, improving logistics and supply chain management.
- **Industry 4.0:** Implementing Industry 4.0 technologies for smart factories and interconnected systems, enabling real-time monitoring, boosting productivity, and reducing downtime.
- **Automation:** Streamlining processes with automation to reduce manual intervention, improving accuracy, speed, and efficiency in operations.

2. Continuous Improvement

- **Lessons Learned:** Leveraging insights from this migration informed future projects. These lessons refined methodologies, improved risk management, and enhanced stakeholder collaboration.
- **Future Migrations:** With lessons learned and a base template established, future migrations will proceed at a similar pace, ensuring more efficient and effective execution.

3. Stakeholder Feedback

- **Positive Reception:** We gathered stakeholders' feedback to assess migration's impact. The positive reception validated the project's success and highlighted areas for further improvement.
- **Collaborative Efforts:** Encouraging collaboration between C5MI, DLA, and key stakeholders to continuously improve processes and outcomes.

Future Prospects

The successful migration positioned DLA as a leader in digital transformation, enabling the organization to leverage new capabilities and technologies. The project demonstrated C5MI's ability to deliver complex transformations with minimal risk and maximum impact, setting the stage for both future innovations and significant improvements within the DoD.

1. Leadership in Digital Transformation

- **Positioning DLA:** Positioning DLA as a leader in digital transformation. The successful migration showcased DLA's commitment to embracing advanced technologies and driving organizational innovation.
- **Setting Precedents:** Establishing precedents for other agencies to follow. DLA's success was a model for other government entities looking to undertake similar digital transformation initiatives.

2. Future Innovations

- **Technological Advancements:** Transitioning to SAP S/4HANA enabled the adoption of new technologies and business processes, driving continuous improvement and future innovations within the DoD.
- **Cloud-Native Extensions:** Integrating AI, Industry 4.0, and automation accelerated advancements, enhancing operational efficiency and positioning the DoD at the forefront of technological innovation.

Key Highlights



86 Deployments

With 125 Sites Planned



50% Faster

Project Completion



\$5 Million

Project Cost



Conclusion

The successful Migration to SAP S/4HANA marked a significant milestone for C5MI and the DoD. This project showcased C5MI's ability to deliver complex transformations with minimal risk and maximum impact. The strategic importance of this migration remained unparalleled as it set the stage for future innovations and improvements within the DoD.

The migration to SAP S/4HANA fundamentally transformed the DoD's logistics and operations management. By adopting this advanced platform, the DoD leveraged cutting-edge technologies such as machine learning, artificial intelligence, and advanced analytics. These capabilities equipped the DoD to make more efficient and effective decisions, enhancing its operational and strategic readiness.

The project positioned the DLA for future transformations by leveraging new capabilities through the SAP S/4HANA platform. Completing this migration provided a robust foundation for further digital transformation initiatives within the DoD. The lessons learned and insights gained from this project enable future migrations and continuous improvement, establishing the DLA as a leader in digital transformation.

The DoD successfully migrated to SAP S/4HANA, creating numerous opportunities. The platform's advanced capabilities enabled the DoD to develop new business processes, integrate cloud-native extensions, and adopt Industry 4.0 technologies. These innovations drove further operational efficiency and effectiveness improvements, positioning the DoD at the forefront of technological advancement. The repeatable template developed as a result of this project sets the stage for future transformations, ensuring that all subsequent migrations are more efficient and effective.



About the Authors



Derek Dyer is the Co-Founder of C5MI. With over two decades of prior experience in the manufacturing and supply chain sectors, he is a recognized thought leader in digital transformation and ERP systems. Derek leads functional and technical teams to address complex business challenges by integrating people, processes, and technology. His extensive background includes leadership roles at world-renowned organizations, such as John Deere, Caterpillar, and Accenture, where he refined his skills in incorporating advanced technologies into business processes.

Derek is known for his innovative approach to leveraging technology to drive exponential business benefits. His commonsense approach to converging people, processes, and technology is the bedrock for success in today's rapidly evolving marketplace. At C5MI, Derek collaborates with clients to develop strategies that leverage new technologies to gain a competitive edge. His contributions have a significant impact on the way organizations approach operational efficiency and innovation, setting new standards in the industry and inspiring others to follow suit.



Bryan Sibthorp is the Chief Technology Officer at C5MI. He is a recognized expert in SAP ERP systems and enterprise asset management, with a rich background in digital transformation and product engineering. Bryan leads technical teams to integrate a wide range of advanced technologies into business operations, significantly enhancing efficiency and performance. His extensive experience includes over 25 years at John Deere, where he served in various roles, including Engineering Manager for WMS, DevOps, and API Enablement.

Bryan's expertise lies in optimizing business processes by implementing cutting-edge technologies. His commonsense approach to merging people, processes, and technology is essential for success in today's competitive market. At C5MI, Bryan collaborates closely with clients to develop strategies that leverage new technologies to drive operational excellence. His contributions significantly impact how organizations approach digital transformation and innovation, paving the way for future advancements and setting a high bar for industry standards.



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