

Case Study

SAP-Driven ERP Modernization

How Carrier Migrated its Systems to the Cloud,
Achieving Flexibility, Scalability, and Cost Savings



Client

Carrier is a global leader in Heating, Ventilation, and Air Conditioning (HVAC) solutions. With operations in over 160 countries and 1,300 facilities, they focus on intelligent climate and energy solutions, including air conditioning, refrigeration, and building controls. Carrier is committed to reducing energy consumption and creating sustainable solutions for a greener planet.



Challenges

Over the years, Carrier has vastly grown through mergers and acquisitions, resulting in a complex and fragmented ERP landscape. Carrier faced challenges due to a fragmented ERP landscape with 150+ ERPs and 70 different ERP technologies and disparate eco-systems. This led to issues such as limited operating synergies, difficulty in consolidating customer and sales data, obsolete systems, high maintenance costs, and hampered digital transformation efforts.

- Limited synergies between operations
- Difficulty consolidating customer and sales data
- Outdated systems increasing maintenance costs
- Hampered digital transformation efforts

Opportunities

Carrier recognized the opportunity to modernize and standardize its systems by addressing the challenges posed by their legacy ERPs. They included:



Creating an accurate ERP inventory and identifying ecosystem apps



Developing a strategy for a 100% SAP S/4HANA end-state



Establishing a foundation for ongoing data infrastructure modernization



Building a global finance and shared services system for immediate benefits

LTIMindtree solution

Carrier partnered with LTIMindtree to develop an ERP strategy and roadmap. The approach included assessing the current state, defining business models and synergies, and creating a phased implementation plan. The comprehensive SAP-Driven ERP Data infrastructure modernization and transformation strategy included:

- Consolidating and standardizing the ERP landscape
- Implementing a cloud-based ERP solution (SAP S/4HANA)
- Establishing an ERP Center of Excellence (CoE) for governance
- Initiating Central Finance and Ariba projects to prepare ERPs for the journey

Our approach

LTIMindtree's strategy focused on modernizing Carrier's ERP systems while transforming business processes. Highlights of the approach included:

- Conducting an ERP assessment framework to gather business and IT insights
- Developing a hypothesis of the end-state ERP landscape and refining it through stakeholder feedback
- Adopting a phased approach to achieve the desired ERP landscape
- Establishing a technical architecture featuring cloud-based infrastructure and SAP S/4HANA integration with other systems
- Utilizing hybrid agile methodologies to balance structure and flexibility



Business benefits



Migrated over 80% of ERPs to the cloud, enhancing scalability and flexibility



Significantly improved sales/service effectiveness



Reduced revenue leakage and increased financial accuracy



Achieved substantial cost savings through shared services



Enhanced master data management with a global view of master data



Lowered maintenance costs and overhead expenses



Increased agility to respond to changing business requirements



Improved visibility and control over business operations

Client testimonial

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Because of the massive 150+ ERPs, the operating synergies of our business units were impacted. We were also losing out on consolidation benefits. We faced challenges with new technology due to obsolete systems that were integrated into the ERP. Additionally, we could not upgrade our platforms, which hampered enterprise visibility. That was the business impact!

To get us to the journey that we are on right now, we approached LTIMindtree to collaborate. We asked them to help us consolidate our 150+ ERPs. They introduced us to their ERP assessment framework and carved out a detailed approach to capturing business and IT information. They worked closely with our senior business leaders and our IT leaders. This collaboration was invaluable because it fostered buy-in for the proposed strategy. They educated our senior leaders with hypotheses, roadmaps, views, and different iterations, which also eased the process of securing Board approvals for the project budgets.

- Sarah Strominger (ERP COE Leader, Carrier)

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Conclusion

Carrier's ERP transformation journey with LTIMindtree, utilizing comprehensive data infrastructure modernization, highlights the significance of a well-planned and executed ERP strategy in achieving business objectives and preparing for the digital era. By partnering with LTIMindtree, Carrier has successfully consolidated and standardized its ERP landscape, resulting in significant benefits and improved operational efficiency. This partnership showcases LTIMindtree as a trusted technology partner for data integration in the automotive industry.

Visit us at <https://www.ltimindtree.com/industries/manufacturing/industrial-manufacturing/> to know more about our advanced industrial manufacturing Solutions

About LTIMindtree

LTIMindtree is a global technology consulting and digital solutions company that enables enterprises across industries to reimagine business models, accelerate innovation, and maximize growth by harnessing digital technologies. As a digital transformation partner to more than 700 clients, LTIMindtree brings extensive domain and technology expertise to help drive superior competitive differentiation, customer experiences, and business outcomes in a converging world. Powered by 84,000+ talented and entrepreneurial professionals across more than 30 countries, LTIMindtree — a Larsen & Toubro Group company — solves the most complex business challenges and delivers transformation at scale. For more information, please visit <https://www.ltimindtree.com/>.