The Future of ERP

Leveraging GEN AI and Cloud ERP for Next-Gen Financial Excellence with E.ON and PwC

[00:00:00] **Sakis:** The future of ERP is invisible. It thinks before you do, it speaks your language, and it acts when it really matters and is not just digital, but more like a human.

[00:00:13] **Richard:** Welcome to the future of ERP, a podcast where we discuss hot topics, best practices, and the latest innovations in today's global business. I'm Richard Howells, and in this week's episode, we'll be chatting to E.ON's Sakis Tabakis. And PwC's Max English about how E.ON has optimized financial management with a Gen AI-enabled cloud ERP solution. So welcome, gentlemen. Hope you've listened to the future of ERP podcast before, and welcome as a guest.

[00:00:45] **Max:** Thanks for having us.

[00:00:46] **Richard:** You're welcome. Maybe you could quickly introduce yourselves and your companies? And, Sakis, would you like to go first?

[00:00:53] **Sakis:** Yeah. Happy to do so. My name's Sakis. I'm leading the systems digitization team within the finance and controlling function at [00:01:00] E.ON Digital Technology. And I'm also leading the Digital Lighthouse project, which is our strategic initiative to digitize our finance function. I also serve as one of the university alliance partners within our company, as well as one of the corporate ambassadors. My focus is on building digital finance capabilities that can scale with the business and that resonate, then also, of course, with the people that use them. So for me, it's not only about tools. It's more importantly about experiences.

[00:01:35] **Richard:** Great. Thank you. And Max, maybe a little bit about yourself and PwC.

[00:01:39] **Max:** Yes, sure. First of all, thanks for having me. My name is Max, and I'm a manager within the PWC Finance Transformation team. And I do focus on the data and analytics topics with a straight focus on SAP and Business Data Cloud, and beforehand, the data sphere. SAC. The entire topic about data [00:02:00] management within the SAP data and analytics function is what I do within our practice and where I accompany not only E.ON, but also other

companies over five years. We are helping clients not only modernize their data landscapes but also prepare them for the next generation of data-driven decision making. And PWC itself has, in the past, of course, been recognized as one of the leading audit and tax companies. But what we do and what we're constantly growing is the transformation part. So, accompanying businesses in the digital transformation, and happy to be here today, and also share what we have experienced together with Sakis and E.ON.

[00:02:47] **Richard:** Great. Thank you. Look forward to talking to you both. So maybe, Sakis, I'll start with you. What were the main drivers behind E.ON's decision to embark on this full-scale transformation to a cloud-based ERP? [00:03:00] And how did this align with your business strategy?

[00:03:03] **Sakis:** We didn't move to the cloud to be modern. We moved there to basically stay in control within a world that doesn't wait. Right? And our business strategy is basically built on speed. This decentralization, green, transformation, and a legacy ERP just couldn't handle the complexity. So we needed a system architecture that could adapt and scale along the strategy. So, cloud, ERP are not a tech upgrade. It's basically a strategic foundation for everything that comes next. So we didn't just migrate systems, we basically challenged habits, and that's where, in my view, the real transformation then began.

[00:03:44] **Richard:** I'm sure, Max, you'll agree that the perfect description of what companies should be doing. They're not moving to the cloud just for the sake of moving, and they're not just lifting and shifting the current implementation to the cloud. It's got a bigger purpose than that.

[00:03:59] **Max:** Just like [00:04:00] Sakis said, and, I'm more than proud to be part of the project and also, happy that we've been moving into this project and into this vision together because it's not only about technology, it's about people and getting what's actually needed into the real world and into a strategic vision going forward with all the technological changes that are waiting for us that are here today. And laying the foundation has been done within the Digital Lighthouse Project, and Sakis has been built up with Digital Lighthouse as the leading project manager and team lead for assisting in digitization at EDT.

[00:04:43] **Richard:** Maybe we can delve into that digital lighthouse project. Can you walk us through the vision and objectives of the project and how it redefined financial management at E.ON?

[00:04:54] **Sakis:** Basically, the Digital Lighthouse Project is our answer to a [00:05:00] quite simple question, I would say. If you could redesign finance within modern tools and user expectations in mind, then the question is what would it look like? We're not just implementing solutions here, but we are really building a platform that integrates all kinds of functionalities, speed planning, reporting, cost transparency, and even AI functionalities into one coherent ecosystem. And for sure, it's still evolving. We just started, but the direction is quite clear. It's supposed to be an intuitive, adaptive, and finance-first design. So, and above all, it's built around how people actually work. Because transformation doesn't start with systems, but it starts with trust and with clarity.

[00:05:55] **Richard:** Great answer. So maybe Max, can you explain the role that PWC [00:06:00] played in the transformation and how they've supported E.ON through the process?

[00:06:04] **Max:** E.ON has been working since the beginning of this journey, and with PWC. I think it's fair to say that I met Sakis around three years ago, when he was still leading another team at E.ON and was just about to switch to the position at EDT, where he then went as the team lead for systems and digitization. And just from the beginning, and even there, we started thinking about, hey, how can we get technology-wise, finance, an uplift, and how can we make it work in the organization, and started to create the digital Lighthouse project. And from the very beginning, we have been closely collaborating to bring the vision of that project. The digital finance function, the vision. And for the sake of reframing, we've been closely collaborating to bring the vision of a digital finance [00:07:00] function to life. And the output was Digital Lighthouse. It was just not about implementing it just from a technology perspective, but also creating a vision, creating how can we scale it, how can we bring people in there and how can we make it a true scalable setup that has the possibility and the ability to drive real change, impact and value, not only for EDT, but for broader scale at E.ON itself. Even today, PWC continues to accompany E.ON with the rollout and the implementation of Lighthouse.

[00:07:44] **Sakis:** A good chance to give Max some credit, actually, and a touch of self-praise maybe, when I say, great minds think alike. Because I wanna reemphasize what Max was saying. It's been even before the project. The first discussion that we 00:08:00] had on that vision and how finance should evolve and what it should look like in the future. It's been quite some time since that project where we started to have these conversations, and what I really liked about Max is that he understood that vision. Finance transformation, actually, or finance digitization, actually not about systems. Because normally, if you think about digitization, the first thing you think about is systems. But it's actually

not. There are more dimensions that are even more important, I would say, than systems. And that's like stuff like culture, like mindsets of the people, like processes, thinking them through from an end-to-end perspective. That's what the folks at PwC really got right.

[00:08:48] **Max:** Thank you very much.

[00:08:50] **Richard:** So moving on a business system is only as good as the data that it provides and the data that it leverages, especially when you start using that data as [00:09:00] a foundation for building AI capabilities on top of that, 'cause wrong data means wrong results. So, how has using SAP Datasphere as the single source of truth improved your data quality, your reporting consistency, and your decision-making across E.ON's finance functions?

[00:09:18] **Sakis:** Yeah, very good question. So, especially in the energy sector, decisions are complex and heavily regulated, right?

[00:09:24] **Richard:** Right.

[00:09:25] **Sakis:** Data consistency isn't just a nice-to-have thing. It's, it's the difference between compliance and exposure. Everything we use as a data lake or data warehouse, actually also Datasphere, gives us a shared data language. That's reducing friction and increasing confidence across all our finance processes that we do. I think the real impact comes from how we use it then. Because we're building like really semantic layers aligned to the business logic, and it's really [00:10:00] helping us move from fragmented inputs to coherent decisions, and then we become faster, and accountability increases.

[00:10:10] **Richard:** Max, do you have anything to add there?

[00:10:12] **Max:** Yes. from what I've seen, one of the biggest challenges was of course the changing mindsets, but from a technological perspective, from an architectural perspective, from what we designed as digital Lighthouse being the going forward architecture, one of the main topics was breaking down silos. And this is what we not only see at E.ON, but also at other customers breaking down the data landscapes from different silos that, of course have some good arguments why they have been built up in the past now needs to be broken down into a one, unified data landscape and one unified foundation for. Setting the scene, into [00:11:00] AI capabilities, data productization, having the approach of a business data fabric. And three years ago, once we designed that, we've been in the beginning with Datasphere. Just being in its first years of experience, we have gained experience with it, but have seen the true potential

in what it can become. And what we now see is for the last six months, how it developed with Business Data Cloud, and having a data sphere at its core of the foundation, that one unified data layer for semantically rich data sets, contextualized data. We've seen that we've made the correct strategic decision going forward with Datasphere, not only from a technical perspective, but also from a perspective that Datasphere lowers the barriers for integrating the business into the journey of managing data. And [00:12:00] that's the true power that we are embarking on and what lays the foundation for. That's what I see already for true success in the implementation at E.ON. And adding up on this, what it needs to get that project vision into real life is of course an organization that supports what we designed but also is a person behind that that even though it's getting hard, always has that vision in mind and embarks on the journey and pushes people, builds up a team. And this is where I can truly say, and this is not just giving all my hearts into the direction of Sakis, but this is where I see also the success of the project is coming from somE.ONe that stays behind its vision and [00:13:00] pushes it until it becomes reality and it has become reality. And that's great to see.

[00:13:07] **Sakis:** Thank you Max. I have to give some of the credit back. Because these organizations are just like ours, it's totally normal; it's in their nature that we have these fragmented data landscapes. If you look at how these organizations normally tend to grow, it's not organic. It's also growing by acquisitions, mergers, and so on. So when you get to such a size, it's totally normal that you have that fragmented, landscape process layer, also a heterogeneous system landscape. That's a totally normal state. And then it's super hard if you're just the only person in the room to actually challenge that. It's super hard to do because it's totally normal that people will start going like, *'but, but it's done like this everywhere.'*

[00:13:57] **Richard:** ' We've always done it like that.'

[00:13:59] **Sakis:** [00:14:00] Exactly. It's the most used phrase for a reason, so. That's right. And if you are alone, in challenging that. That's quite hard. So it's really a help if big names actually back up what you're saying. And that really helps to have people on a very high level of skill that actually back up that vision.

[00:14:23] **Richard:** I wanted to move on to something that Max introduced in the last answer. So, Sakis, maybe you can start with this, but what is the role of AI and Generative AI in your new technology ecosystem? You've got the data. Now you trust the data. How are your employees leveraging AI tools? And are they leveraging AI tools?

[00:14:44] **Sakis:** I feel like I'm saying with every answer that I'm giving you, I actually have to say we just started.

[00:14:49] **Richard:** With AI, everyone's just started to be fair.

[00:14:52] **Sakis:** Right. So we started with Gen AI, which I would say is what I guess most of the finance or [00:15:00] most of the business people tend to do, so we made data conversational. That's basically the first step that we tried our hand at. The next step, however, what we are thinking about is to move into Agentic AI. That's something we have been thinking about since the beginning of the year. So we are exploring how AI can actually proactively support our decision-making. Think of early warnings when actuals, for example, deviate from the plan or contextual nudges when cost drivers just shift interventions before things break, basically. So in energy finance, that kind of responsiveness, I think, is critical. Because it's all about time, but on the other side, we also know that trust in AI only comes when it's aligned with how people think. Our goal is to build that trust step by step. Because if you look at the world and how it's [00:16:00] looking at AI, you see two sides of the coin, right? On the one side, half of the world embraces these new opportunities, while the other half fears for their jobs. It's a lot about trust. I think. When you think about in what ways you want to use AI you need to first take the people on a journey to actually understand, to buy in to that idea of AI as a technology being there to accelerate what they are doing to support what they're doing and not to exchange what they're doing.

[00:16:42] **Richard:** Yeah.

[00:16:43] **Max:** Exactly. Adding to that one. I think that journey that Sakis was just mentioning is. You need to go with the people. You need to make people understand that [00:17:00] AI fast decision making, that fast insight to action, is not something that they should be afraid of. This is something that they should look into, having lots of fun with. Because actually what we are doing, also with what we've implemented within the Digital Lighthouse project, is something where we can gain lots of efficiency. It results in having more time to get to its core of what you've proposed to do in your job formally. It's not about having Excel running up and down. It's not about doing the one job over and over again. It's about going into insights that you can look into, going into findings that you haven't found out before. That's the efficiency part that we can gain with AI, and this is where the scalable foundation is needed and is [00:18:00] so important to get running even today.

[00:18:04] **Sakis:** To add one more thing, if you go away from an individual level, you can really look at it in a quite simple way and think about, so if two companies were basically the same and the one company is leveraging the support of ai, it just simply becomes faster. Then you have to realize that if you are too hesitant to use AI, you'll be outperformed by your competitors at the end of the day.

[00:18:34] **Richard:** That's right, 'cause they're gonna be using AI.

[00:18:36] **Sakis:** They're gonna be using it for sure. Yeah.

[00:18:39] **Richard:** Yeah. You mentioned about the silos in an organization and E.ON's ERP transformation means getting lots of different companies on the same page, lots of different departments on the same page, IT and business users on the same page. So what were the toughest parts about automating so many [00:19:00] workflows? How did you manage to get past these challenges?

[00:19:04] **Sakis:** standardization across a group like E.ON, I would say it's not just about technical stuff, right? It's also cultural, operational, and even political. It's a lot of layers.

I think what helped us was a dual approach, I would say. We aligned on the one side with our so-called S/4 United program. That's basically the backbone of our vision within the Digital Lighthouse Project. That's basically. Kicked off the journey of E.ON as a whole, moving towards the S/4HANA. If we are like a spaceship, that's the mothership. Then we added innovation layers, which created value then on top. That gave us both consistency with the strategy, but also differentiation. In short, we made sure that what we are doing aligns with the overall strategy at E.ON. Of course, that doesn't mean it's a one size fits [00:20:00] but basically a platform idea with many relevant realities.

[00:20:06] **Max:** Just adding up on this, and this is actually what we also started quite early in the process of the Digital Lighthouse project. Because one of the first things that we did was have a look at the processes and identify points where we can gain value, where we can gain efficiency. And this is what we've done at the very beginning, just making sure it all works out. And also the foundation, the architecture, Digital Lighthouse is capable of going into future-proven processes.

[00:20:39] **Richard:** I wanted to ask a little bit around at sustainability and regulations. I mean, the energy sector has changing rules, regulations all the

time. How does a new cloud ERP and data platform help you stay flexible and keep up with compliance?

[00:20:55] **Sakis:** E.ON is a group; it's an energy company. The one main driver we're talking about. It's the energy transition. [00:21:00] So why is demand flexibility generation becoming more volatile on the one side? Because, simply said, renewables don't produce on schedule. It's not like how the world was 10 or 20 years ago. So consumption is shifting as well on the other side. Look at immobility, for example. Heat pumps. So there are new demand patterns. So basically, the grid needs to balance both sides in real time. Now, that volatility flows downstream. Our market needs to react faster, and our E.ON business units need to stay agile, and as their internal IT service provider. We at E.ON Digital Technology must also be just as flexible. Especially in how we allocate and track shared resources and costs, because that's basically what we do. So if you follow that stream back in the supply chain, so to speak, [00:22:00] that's why we use SAP PAPM, because we need a real IT financial management engine that reflects actual usage, supports dynamic modeling, scales with demand. And with PAPM, we can trace value flows in the billions, actually, really accurately, in real time, and fully auditable. And that's how you make flexibility and compliance at the end also work together.

[00:22:32] **Richard:** Okay. Um, we've talked about what you've been doing for the last few years, but what's next? What are your plans to grow and improve your ERP system to help E.ON move towards a greener, more digital, and decentralized energy future?

[00:22:49] **Sakis:** I need to be careful now with the answer because Max is gonna see a lot of business potential there.

[00:22:54] **Max:** Please, please go ahead.

[00:22:56] **Richard:** This is being recorded, Max. You don't have to take notes.[00:23:00]

[00:23:00] **Sakis:** No, but honestly, I mean, as said before, a couple of times, we're still at the beginning of really something bigger. I was mentioning it before, I just came back from Vienna, where I was at the SAP Innovation day, giving a speech about a project, and basically the narrative of what I was saying there was we have a strong platform, right? That's what we've built up now. We have a strong platform now, consisting basically of that magical triangle, so to speak, between SAP Datasphere, SAP PAPM, and the analytics cloud. So that's, that's a very strong platform, but many of our processes aren't yet ready for true

end-to-end automation. And we haven't fully unlocked the human side of transformation as well. So the part where people understand technology. As I said earlier, with regards to AI, not just, not as a threat, [00:24:00] but as an enabler. And that's something we're actively working on, making process intelligence real, bringing AI from insight to intervention. Putting usability at the center of the game. So our goal isn't just smarter systems. We have a great platform. It's a, it's a finance function that feels natural in what the world looks like today in a volatile, digital, but also in a regulated world. And to get there, we just don't need systems, but also people and processes.

[00:24:39] **Max:** What Sarkis was just mentioning is that the human part is something that we see in a wider range at every company I've worked with. That's the most central part. Technology is moving as fast as never before, and we can't even keep up looking what [00:25:00] Chat GPT is having for new functions and stuff like that. And also, SAP is growing faster than ever before. What we see digital transformation is all about, and that's where I also see the critical part. Not only at E.ON for the Digital Lighthouse project, but also for the future, overall for all companies that we are working with. The critical part is having a backed project, a backed vision from the very top level in the organization. Because without backing, we couldn't push forward. We couldn't push boundaries. And the true potential also at E.ON side, with the S4 United Project, the one of the biggest S4 project that I've seen so far is getting into the value of using the data, using ERP data, making it available to the business and [00:26:00] having in the future, we are looking for something that's not in two months or two quarters, we are looking for something more visionary. We are looking for something where ERP data from other lines of business applications is being brought together at one central point, contextualized and made available for AI, ready to use to get data into insights and then into action, and that faster than ever before.

[00:26:32] **Richard:** You've set me up perfectly for the final question that I ask all of our guests.

[00:26:37] **Max:** I have prepared my sentences.

[00:26:39] **Richard:** Okay. So good. You have listened to the podcast before, then. So, if yes, if you had to summarize in a sentence or two, and this is for both of you, so you can choose who goes first, what is the future of ERP?

[00:26:51] **Max:** Last words will be for Sakis. So, the future of ERP lies in creating an open, connected data [00:27:00] foundation that seamlessly integrates SAP and non-SAP sources, enabling scalable data products and AI-

ready architectures. It's about moving beyond process efficiency, towards real-time insights and empowering business users to generate tangible value from the data.

[00:27:17] **Richard:** Sakis, can you match or beat that?

[00:27:19] **Sakis:** Wow, I don't think so, but let me try. Maybe I'm gonna get a bit philosophical now. The future of ERP is invisible. It thinks before you do, it speaks your language, and it acts when it really matters and is not just digital, but more like a human.

[00:27:37] **Richard:** That was a wonderful conversation. I really enjoyed it. Thanks so much for taking the time.

[00:27:42] **Sakis:** Thank you.

[00:27:43] **Richard:** Thanks, everyone, for listening. Please mark us as a favorite. You can get regular updates and information about future episodes, but until next time, from Sakis, Max, and me, thanks for discussing the future of ERP.