Please be prepared to discuss in greater detail the vendor's implementation strategy and approach. The following topics should be covered:

- Strategy and Approach
- Timeline
- Data Migration Approach
- Training Approach
Microexcel SAP Practice Overview

Quick Facts

- End-to-End SAP Services Provider of Cloud and On-Premise Applications & Technology
- 250+ SAP Customers Worldwide (US, APAC and EMEA)
- 600+ SAP Practice Team Members
- Prepackaged Industry solutions: Consumer, Mfg., Healthcare
- Rapid Deployment Solutions: S/4HANA, SuccessFactors, Hybris, BI
- Technology Solutions: S/4HANA, BI, SCM
- Certified SAP Partner: VAR & Services
- ExcelSAP methodology based on SAP’s Activate to accelerate time to value
- SAP core focus: Implementations, System Integrations, Upgrades, AMS, & Testing Services

Accelerate Implementations and Rollouts of S/4HANA by Leveraging Best Practices
Gain Value from Cloud & HANA for Differentiation & Innovation
Leverage the Business Intelligence Solutions on HANA Platform for Better Insight

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Liggett is considering an implementation ERP within their Liggett Vector Brands, Liggett Group and Vector Tobacco business to help automate processes or eliminate steps that are currently being performed manually to make the overall process more efficient.

**Liggett Current Environment**
- Legacy business system, PC applications, and multiple stand-alone systems.
- On premise and cloud based software products
- Current System support following business functions - HR, IT, Finance, Purchasing, Manufacturing, Logistics, Distribution, Sales, Customer Service, National Accounts, Merchandising etc.

**Liggett Desired End Vision**
“*bring systems together, reduce complexity (intercompany, etc.) & integration, get operations under one umbrella, analytics to help business grew better*”

- **Automate & Simplify** business functionality and ability to integrate current off line data,
- **Easily Integrate** with external software products
- **Real-time** operational reporting
- **Standardize** operational processes while controlling total cost of ownership
- **Ease of use** adoption of the software and system administration
Liggett’s “Must Get Right” Business Goals with S/4HANA

**Business Objectives**

- **Profitable Growth**
  - Revenue growth
  - Increase sales

- **Reduce Cost & Improve Financial Management**
  - Improve customer experience
  - Warehouse
  - Finance
  - Customer service
  - Procurement

- **Improve supply chain**
  - Inventory efficiency
  - Inventory
  - Manufacturing

**Challenges**

- **Improve customer offering**
- **Reduce out-of-stocks**
- **Increase visibility to available stock**
- **Expedite goods receipt processing**
- **Increase Inventory accuracy**
- **Increase Operational Efficiency**
- **Automate Intercompany transactions**
- **Improve efficiencies in accounting activities and financial close across Liggett/Vector**
- **Improve order fulfillment**
- **Improve return processing**
- **Improve issue processing**
- **Improve Vendor Collaboration and Evaluation**
- **Optimize Purchasing Process**
- **Improve tracking and traceability**
- **Increase inventory turnover**
- **Increase inventory accuracy**
- **Improve supply chain visibility**
- **Reduce out of stocks**
- **Supply Chain Transparency**
- **Manufacturing Capacity**
- **Batch Traceability**

**S/4HANA Scenario**

- **Business Intelligence (BI)**
- **Inventory management**
- **Warehouse Management**
- **Financials and controlling**
- **Order Management**
- **Procurement**
- **Inventory management**
- **Manufacturing**
Implementation Point of View

Investment

“Design to Order”

“Repeatable Processes”

“Reusable components”

“Preassemble….Activate”

Adjustments within project

Adjustments within project

Adjustments within project

Time

52+ Weeks
1992 – 1999

32 – 52 Weeks
2000 – 2008

16-24 Weeks
2010 – current

Standard System

SAP Best Practices

SAP Best Practices

Standard System

Standard System

Industry Content
**Accelerators and Differentiators**

- ExcelSAP: Iterative, Accelerated Approach
- Accelerators that help put the focus on the key criteria for success...PEOPLE
- Pre-assembled System, Ready to Run
- Documents Best Practice Process Flows
- Training Guides for Business and IT
- Prebuilt data migration scripts to accelerate data conversion

Traditional Project

- Design Processes
- Configure Settings
- Develop Documentation
- Execute Conversions, Training, Testing, Cut Over

Confirm Instead of Designing Processes

Microexcel Industry Solutions Enabled by SAP Best Practices

- Confirm Processes
- Confirm Settings
- Confirm Documentation
- Emphasize Conversions, Training, Testing, Cut Over
Microexcel ExcelSAP Approach – Key Concept

- Microexcel’s S/4HANA Agile Approach Accelerates Determining Business Gaps and drives adoption of Liggett processes based on best practices
Liggett Program Scope Summary

Data
Covers the content, structure and business rules surrounding the information used by the enterprise to support:
- Finance Data
- Sales Data
- Supply Chain Data
- Summary Balances
- Open Orders

Organization
Focuses on the people within the enterprise: culture, roles, team structures, organizational units, means of communication, capabilities, commitment and performance
- Liggett Vector Brands Corporate
- Liggett Group Corporate
- LDC – Liggett Distribution CT

Location
Looks at where the enterprise does business, both in terms of location types and in terms of specific physical facilities at specific locations
- Morrisville
- Mebane

Business Process
Addresses what the enterprise does, how it does it, the sequence, the rules and types of results obtained
- Order to Cash
- Procure to Pay
- Plan to Produce
- Core Finance
- Intercompany Transfers
- Traceability

Application
Encompasses the capabilities, structure, and user interface of software provided to the business users of the enterprise
- Financials
- Manufacturing
- Sales & Distribution
- WM & IM
- Batch Traceability
- Business Planning & Consolidation
- Business Objects

Technology
Encompasses the capabilities, structure, and user interface of software provided to the business users of the enterprise
- Operational Reports & Analytics
- Dashboards
ExcelSAP Phases

Jump-start project with pre-assembled solution

Identify & validate delta requirements and gaps

Build Liggett solution in short, time-boxed sprints

Accelerate User Adoption & Mitigate Risk

** Value Audits including Zero Modification**

Prepare

Solution Scope and Value Determination

Initial Roadmap and Approach

Pre-Assembly

Explore

Delta Design

Release and Sprint Plan

Prioritize Backlog

Solution Validation including Zero Modification**

Baseline Build

Build

Sprint Execution

Integration Testing

Value Audits

Setup Operations

Deploy

Support after Go-Live

Cutover

Organizational and Production Readiness

Technical and System testing

Run

Value Management

Application Lifecycle Management

Operations Control Center

Application Lifecycle Management

Operations Control Center
Data Migration Approach

Legacy Data Source Environment

- Flat Files/Excel
- Databases
- Applications
- SQL Server 2008 R2 and 2012

Data Staging and Test Environment

- Extract & Profile
  - Name Parsing
  - Address Parsing & Correction
  - Material/Product COA Parsing
  - Matching
- Transform
  - Transform Data into SAP structure
  - Business Validation Rules
- Validate & Load
  - Automatic SAP Config Validation
- Performance Analysis
- Dashboards and Business Reporting
- Data Services Platform

Loading to Target Environment

- API
- SAP S/4HANA

- Oracle EBS
- Oracle Web Center Content
- Microsoft Dynamics SL (Solomon)
- Gentran
- XLCubed Excel Add-In
- XLCubed Web
- MS SQL Server Analysis Services
- Sage Premier Depreciation (Formerly FAS)
# Comprehensive Testing Approach

## SBX (Pre-Assembled) - Build (Realize) - Deploy

<table>
<thead>
<tr>
<th>Prepare</th>
<th>Explore</th>
<th>Build (Realize)</th>
<th>Deploy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Preparation Completion</td>
<td>Business Solution Validation Completion</td>
<td>Sprint 1</td>
<td>Solution Tested</td>
</tr>
<tr>
<td>Baseline Build</td>
<td>User Story Definition</td>
<td>Sprint n</td>
<td>Epic</td>
</tr>
<tr>
<td>Testing Assessment</td>
<td></td>
<td>Test Case Development</td>
<td></td>
</tr>
<tr>
<td>Testing Assessment</td>
<td>Project Testing Strategy</td>
<td>Test Plan</td>
<td></td>
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<tr>
<td>Testing Assessment</td>
<td>Unit Testing</td>
<td></td>
<td></td>
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<tr>
<td>Testing Assessment</td>
<td>Unit Testing</td>
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<td></td>
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<tr>
<td>Testing Assessment</td>
<td>Epic (String) Testing</td>
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<td></td>
</tr>
<tr>
<td>Testing Assessment</td>
<td>Integration Testing 1</td>
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<tr>
<td>Testing Assessment</td>
<td>Integration Testing n</td>
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<tr>
<td>Testing Assessment</td>
<td>Finalize Testing Tools &amp; Installation</td>
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</tr>
<tr>
<td>Testing Assessment</td>
<td>Data Migration Testing 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project System Environment</td>
<td></td>
<td>Test Team Mobilization &amp; Training</td>
<td></td>
</tr>
<tr>
<td>Project System Environment</td>
<td>Project Milestone / Q-Gates</td>
<td></td>
<td></td>
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<tr>
<td>Testing Work Packages</td>
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</tbody>
</table>

## Testing Work Packages

- Project System Environment
- Project Milestone / Q-Gates
- Testing Work Packages
Starting the “Explore” Phase, the Liggett team begin learning the new businesses and SAP Capabilities.

Through the “Build” Phase, the Liggett team develops the expertise to run their business processes and resolve problems.

By “Deploy”, the Liggett team has developed the skills to deliver the End Users training and Support the End Users during Go-Live.

**Microexcel Knows making Liggett self sufficient with SAP S/4HANA is a Key Success Criteria for this project**

- **Prepare**
- **Explore**
- **Build**
- **Deploy**
- **Run**

**OCM Toolkit**
- OCM plan
- Business Process Documents
- End User Training Guides (Train the Trainer)
- Readiness surveys templates
Project Management

**WEEKLY PLAN MANAGEMENT CYCLE**

Workstream Leaders
Review and Update
PMO Generates Plan
Analysis Reports
Worksteam... Prepare Weekly Project Status Reports
Analyze Decision Impact and Prepare Plan Maintenance
PM Briefs Sponsors and Leadership
Routine Plan Maintenance of Integrated Release Plan
Work on tasks and activities
Team Members Complete Activity Updates and Estimates to Complete
PMO Generates Plan Analysis Reports
Workstream Leaders Review and Update
Executive Meeting
Weekly PMO Status
Task Tracking Sheet
Weekly Team Status
Task Progress Reporting
Stakeholder Progress
Steering Committee Weekly Status
Mitigating Risk with Microexcel and SAP HANA Ambassador Program

Customer Facing Team
- SAP & ME Account Team
- ME Project Mgr and Team
- SAP Support / GSS
- Consulting Services

SAP Back Office Team
- HANA COE
- Support
- Strategic Customer Engagements
- Mission Critical Support

SAP Executive Sponsor

Ambassador Engagement

Microexcel Functions
Standard Functions
NA HANA Ambassador Program
Escalation Functions
Project Team

Team Utilization

<table>
<thead>
<tr>
<th>Team Members</th>
<th>Source</th>
<th>Average Utilization</th>
<th>Duration (Weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Director</td>
<td>Microexcel</td>
<td>30%</td>
<td>27</td>
</tr>
<tr>
<td>Project Sponsor</td>
<td>Liggett</td>
<td>30%</td>
<td>27</td>
</tr>
<tr>
<td>Project Manager</td>
<td>Microexcel</td>
<td>100%</td>
<td>27</td>
</tr>
<tr>
<td>Project Manager/Change Lead</td>
<td>Liggett</td>
<td>100%</td>
<td>27</td>
</tr>
<tr>
<td>Finance Leads</td>
<td>Microexcel</td>
<td>100%</td>
<td>27</td>
</tr>
<tr>
<td>Operation Leads</td>
<td>Microexcel</td>
<td>100%</td>
<td>27</td>
</tr>
<tr>
<td>Business Leads</td>
<td>Liggett</td>
<td>50%</td>
<td>27</td>
</tr>
<tr>
<td>End Users</td>
<td>Liggett</td>
<td>20%</td>
<td>27</td>
</tr>
<tr>
<td>Development Team</td>
<td>Microexcel</td>
<td>100%</td>
<td>27</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Liggett</td>
<td>50%</td>
<td>27</td>
</tr>
</tbody>
</table>
Estimated Liggett ERP Implementation Schedule

Microexcel will work with Liggett to define project plan that conforms to Liggett business calendar.
## Why Microexcel

<table>
<thead>
<tr>
<th>Value Proposition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key strategic client</td>
<td>Liggett WILL be Microexcel’s “lighthouse” account. We don’t view this as an SOW...we want to be your trusted advisor and partner</td>
</tr>
<tr>
<td>Domain Experience</td>
<td>We have lived in the consumer industry, we know the issues, and we will bring best practices to the table</td>
</tr>
<tr>
<td>Innovative Approach</td>
<td>Our ExcelSAP will deliver the desired business outcomes simply, flexibly, while mitigating risk</td>
</tr>
<tr>
<td>Unmatched Solution</td>
<td>S/4HANA - delivering a truly agile and connected system, running on a market leading in-memory database; and enabling your business to address a digitized world.</td>
</tr>
<tr>
<td>Value for Investment</td>
<td>Last but not least, we provide best value for every dollar spent by Liggett on SAP S/4HANA and we will take up the risk by providing a fixed bid &amp; milestone payments.</td>
</tr>
</tbody>
</table>
Please be prepared to discuss in greater detail the vendor’s implementation strategy and approach. The following topics should be covered:

- Strategy and Approach
- Timeline
- Data Migration Approach
- Training Approach
ExcelSAP for S/4HANA on-premise Implementation

Jump-start project with pre-assembled solution

Identify & validate delta requirements and gaps

Build customer solution in short, time-boxed sprints

Safeguard build and run with ICC**, OCC**, and MCC**
Prepare Phase Typical Deliverables

**Project Governance**
- Engagement Model
- Project Organization
- Project Charter
- Kick-Off Workshop
- Scope Statement

**Project Management Plans**
- Project Schedule and Budget
- Project Management Plan

**Project Standards and Policies**
- Project and Organizational Standards
- Execution Standards for Agile
- ICC/MCC standards in Premium Engagements

**OCM and Training Strategy**
- Organizational Change Management Roadmap
- Project Training Strategy and Plan (team + key-users)

**Team Onboarding**
- Project Team Training
  - Ramp up on methodology, engagement model, deliverables, SOW, planning, etc.

**Project Team Infrastructure**
- Project Support Tools and System Setup
- Project Room
- Facilities Access and Security

**Solution Scope and Value Determination**
- Value Determination
- Capability Business / Process Needs Mapping

**Technical Infrastructure and Sizing**
- Technical Requirements and Design
- Initial Hardware Sizing Proposal

**Data Migration Approach and Strategy**
- Data Readiness Analysis
- Data Migration Approach and Strategy

**Baseline Solution**
- Determine Baseline Solution
  - A) Pre-Assembly per RDS or Best Practice
  - B) Model Company Setup
  - C) Prototyping
  - D) Story Map / User Stories
Explore Phase: Typical Deliverables

**PM Execution, Management and Controlling Results**
- Phase Initiation
- Execution
- Monitoring and Controlling Results

**Change Impact Analysis and Communication**
- Stakeholder Analysis
- Change Impact Analysis
- Communication Plan

**Baseline Build**
- If no SAP Standard Solution (RDS) available to address customer needs
- Prioritize features
- Baseline Build Plan
- Baseline Build Sign-Off

**Solution Validation Zero Modifications**
- Set expectations on Scope of Modifications
- Solution Validation (Workshop Type A)
- Backlog build (translate features in functions)
- Parking lot items identified
- Value Realization

**Backlog Prioritization**
- Prioritize Backlog based on business value drivers
- Identify Delta scope items for current release
- Gap Validation via ICC (PE)

**Design for Gaps and Deltas**
- Solution Design for Deltas (Workshop type B)
- Develop BPDs and Functional Specifications
- Sign of design documents

**Legacy Data Migration Design and Plan**
- Legacy Data Migration Design
- Legacy Data Archive

**Technology Design and Setup of DEV environment**
- Technical Solution Design
- User Access and Security
- Development Environment

**Test Strategy and Plan**
- Testing Strategy

**Release and Sprint Plan**
- Estimate Backlog items
- Plan release executions
- Allocate all backlog items to sprints
- Consider technical and business dependencies and sequences
## Build Phase: Typical Deliverables

<table>
<thead>
<tr>
<th>PM Execution, Management and Controlling Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase Initiation</strong>&lt;br&gt;Execution&lt;br&gt;Monitoring and Controlling Results</td>
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<table>
<thead>
<tr>
<th>Organizational Alignment and User Enablement</th>
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</thead>
<tbody>
<tr>
<td><strong>Organizational Alignment</strong>&lt;br&gt;Knowledge Transfer / Train Key Users&lt;br&gt;End User Training&lt;br&gt;Delivery Enabled</td>
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<table>
<thead>
<tr>
<th>Technology Setup for QAS and PRD</th>
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<tbody>
<tr>
<td><strong>Quality Assurance Environment (QAS) / Switch to QA</strong>&lt;br&gt;Production Environment (PRD)&lt;br&gt;Security and Authorizations setup</td>
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<table>
<thead>
<tr>
<th>Sprint Execution</th>
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<tbody>
<tr>
<td><strong>Sprint Planning</strong>&lt;br&gt;Sprint Execution (Build and Unit Test)&lt;br&gt;Sprint Demo&lt;br&gt;Sprint Retrospective&lt;br&gt;Firm-up Sprints (Transports + String Testing + Solution Documentation completion)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Integrated Solution and Non-Functional Testing</th>
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<tbody>
<tr>
<td><strong>Scenario Tests</strong>&lt;br&gt;Approved Integration Test (Iterative)&lt;br&gt;Approved User Acceptance Test - Test Solution&lt;br&gt;System and Performance Test</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Legacy Data Migration</th>
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<tbody>
<tr>
<td><strong>Legacy Data Migration</strong>&lt;br&gt;SAP Data Archiving</td>
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<table>
<thead>
<tr>
<th>Value Audits</th>
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<tr>
<td><strong>Value Audits</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Technical Operations Setup Plan including OCC</th>
</tr>
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<tbody>
<tr>
<td><strong>SAP Going Live Check</strong>&lt;br&gt;System User Roles and Authorization Administration&lt;br&gt;Technical Operations and Handover Plan</td>
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</table>

<table>
<thead>
<tr>
<th>Cutover and Transition Plan</th>
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<tbody>
<tr>
<td><strong>Preliminary Cutover plan</strong></td>
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</table>
## Deploy Phase: Typical Deliverables

<table>
<thead>
<tr>
<th>PM Execution, Management and Controlling Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase Initiation</td>
</tr>
<tr>
<td>Execution</td>
</tr>
<tr>
<td>Monitoring and Controlling Results</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organizational and Production Support Readiness Check</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre Go-Live End-User Training Delivery / Validate End User training material</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technical and System Testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>System and Performance Test</td>
</tr>
<tr>
<td>Approved Technical System Tests</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Setup Operational Support including OCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Team validates the integration of the customer’s IT solution with non-functional tests (performance-data consistency check), and prepares and implements Run SAP Like a Factory,</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Readiness for Cutover Check</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes organizational and technical readiness</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cutover to Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project team will execute the cutover to the production software and go live</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Production Support after Go Live</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Control Center or customer’s operations team will take over the solution.</td>
</tr>
</tbody>
</table>
APPENDIX 3: Global Customers
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