



INDEPENDENT SAP TRENDS, ANALYSES, STRATEGIES AND IN-DEPTH REPORTS FROM BUSINESS AND IT



S/4 Migration Roadmap

SAP customers without a clear migration roadmap for Hana and S/4 are running short on time. Thomas Failer (l.), Board Member and Owner of Data Migration Services, and CEO Tobias Eberle provide the answers to the most pressing issues in this E-3 Special Report.

**Room For Compliance
And Innovations**

Page 6

**The Shortest Path
To S/4 Hana**

Page 8

**New Recipe For
Historical Data**

Page 10



Board Member
Thomas Failer.

CEO Tobias Eberle.

S/4 Migration Roadmap

In the SAP community there is a growing realisation that practically all roads lead to Hana and S/4. A strict deadline expires in 2030. So anyone not able to present a Hana and S/4 migration roadmap this year is running short on time. SAP Partner Data Migration Services has the answers the community is looking for. Thomas Failer, Administrative Council member and owner of Data Migration Services, and Tobias Eberle, CEO, talked with E-3 Editor-in-Chief Peter M. Färbing.

The scope of migrating to S/4 goes beyond a technical and functional change of release. In recent months SAP has put much effort in the switch from ERP/ECC 6.0 and the SAP Business Suite 7 to Hana and S/4 for its customers. This switch must be shaped in a way that is as transparent, escalation-free and as safe as possible. Yet the typical in-house challenge is not so much getting the technical tools in order, but rather the lack of experience with transformation projects like this and with the sheer volume of data.

For the community it is often seen as almost impossible to come up with a Hana and S/4 roadmap without an experienced SAP Partner. Unfair, perhaps, but that is the practical reality. Understandably, goodwill towards the SAP team in Walldorf is not particularly high at present. For months, the German ERP provider has faced pressure to justify itself in that regard.

The helper at a time of distress is the international SAP partner community. In recent years a lot of experience and knowledge has been gathered on how to best customize Hana and S/4. By now, users applying IT tools from the partner community are able to finish most migration projects stably and without errors. In this E-3 special report, Thomas Failer and Tobias Eberle of Data Migration Services state the most important parameters for successful S/4 transformation.

Deadline and master data

"Each firm must ultimately decide for itself when the time is right to switch to S/4," Administrative Council member Thomas Failer noted at the start of the discussion. "Preparing the switch, cleaning up the master data files and improving that data's quality are important measures, if not indeed mandatory ones, for advancing the digitization with S/4 in the best way possible", he emphasizes, thus focusing on the data to be

migrated from the SAP system. Another purposeful preparation task is to reduce the data volume in the current SAP systems by archiving or by a right-sizing operation. "In this way, the data volume of SAP systems can be cut significantly, by around 70 per cent, making the switch afterwards much easier," Failer pointed out, based on numerous successful projects, adding: "There is another preparatory measure that we see as extremely important, namely shutting down legacy systems, also known as historicization or Application Retirement. Often such systems continue to be run, to satisfy the legal data-access requirements. Effective and efficient application retirement, using our IT tool, JiVS, can cut the current running costs by up to 80 per cent, while continuing to satisfy legal requirements."

Data quality for S/4

Data Migration Services emphasize data quality and data management. CEO Tobias observes: "Often the focus in the S/4 roadmap is on functionalities or the use of new possibilities with S/4. It is easy to overlook that the data quantity and its quality play a key role when introducing S/4. It is mostly also overlooked that, after S/4 is introduced, the old SAP systems remain present and continue to be run. Here it is advisable to include consistent application retirement into an S/4 roadmap."

This now prompts a question: In the context of the S/4 migration, how can users identify and eliminate weaknesses regarding data retention, data quality, data growth, and configuration errors? Thomas Failer, owner of Data Migration Services, takes this view: "Yes, the switch to S/4 offers a chance to check the data stocks with regard to data retention, data quality and data growth, and to identify and eliminate configuration errors. The brownfield or the greenfield approach are suitable for this. As a matter of principle,

these migrate solely the data that is essential to the target system. Cleaning up the data before the migration, especially the master data, makes it possible to correct any configuration errors and to improve the data quality. Data Migration Services' JiVS platform provides support to the customer, by simply analysing the data stocks and exposing weaknesses that way."

Before migration

"Preparing the master data absolutely must take place before the migration to S/4," Tobias Eberle re-emphasizes. Data Migration Services' experience indicates that the master data should be adapted to address the following issues: extracting unused master data that is no longer needed; cleaning up duplicates; applying standardization and norms to master data, and also adding S/4-relevant information to the master data. "Ideally, the master data is processed before S/4 is introduced. That process can be started separately from the migration, today or at any time the SAP customer wishes," Thomas Failer explains.

Without SolMan

This might immediately prompt many SAP customers to think of the standard tool SolMan, that has acquired a vast enhancement in its functions and capabilities in Version 7.2. However, "As we see it, SolMan is not an option for data maintenance and data quality. We rather use of the SAP Migration Cockpit for the consistent import of the data into the S/4 environment," Eberle points out, based on many successful client projects. For each migration project, the suitable approach to infrastructure is also discussed. What are the advantages and disadvantages of a greenfield and brownfield approach respectively? "The two basic migration paths, greenfield and brownfield, each have specific advantages and disadvantages that need to be evaluated individually for each SAP client." Thomas Failer is convinced, explaining in the E-3 discussion: "While the greenfield approach



ach demands a new implementation, a rearrangement of brown "inherited burdens" offers the clients the prospect of investment protection for what are usually expensive, laborious adaptations of SAP systems."

Greenfield or brownfield

CEO Tobias Eberle warns that there is something more important than recommending one migration path or another. It is understanding that, with both variations, a clean, predictable calculation will not work. "Because in all cases the companies must make extra invest-

ments in SAP S/4; after all, they have to get new licenses and buy costly hardware or enter into subscriptions," Data Migration Services" CEO explains. The data volume from the legacy systems is indeed reduced when switching to the Hana database. However, the demand on infrastructure is much greater, because the combination of classical infrastructure and archiving solutions becomes obsolete.

"It is particularly the migration in one's own datacenter, as favored by most SAP customers, that proves to be a huge cost-driver, whether step-by-step or as a one-off move," Thomas Failer stresses. Yet the two managers have a solution. The problem is that the SAP customers" planned increases in budget will not be enough to make the necessary resources available for modernization and a greater level of digitization. So for both migration paths, the recommendation is thus to shutdown legacy systems made obsolete by the migration, resulting in huge savings on running costs.

Cleaning and shutdown

Accordingly, time and time again, components no longer active and needed are found in SAP systems; this applies to "forgotten" Abap functions from the Z-name area and to settings in the FI/CO area. What possibilities exist for identifying unused company booking codes and shutting them down? "Company booking codes no longer needed are an unnecessary load carried by an SAP system; it's a good idea to remove them," Tobias Eberle notes, explaining many customers" situation. "For legal reasons, company booking codes cannot be deleted without further ado. Yet the JiVS solutions mean that these circles can be deleted securely in SAP. The first step is to copy the data from SAP to JiVS. Then the JiVS system is set up for access to the data. Here JiVS offers 700 predefined business items for SAP FI, CO, MM, SD, HR, etc., meaning that access to the data

can be set up to be fast. Using SAP or other resources, the company booking code in the SAP system can now be deleted. The data access then follows using the JiVS web user interface."

A slim archive

So how do users keep "legacy systems" small as a cost factor? And keep the archive slim and agile? Tobias Eberle: "The cost involved in operating the legacy systems must be reduced permanently. The preferred way to do this is by consolidation and shutdown. The application users have known this for years but they flinch, daunted by the costs involved." Here too, Thomas Failer has a logical reply for the SAP community: "Standardization and automation are prerequisites for a solution suitable for shutting down the legacy systems. The solution amortizes the required investment quickly and then achieves consistently lower operating costs." The JiVS solution from the Swiss company offers precisely these strengths, owing to numerous successful projects involving data migration and shutdown of legacy systems.

In practice, after shutting down the legacy systems, JiVS has demonstrably cut the running costs by 80 to 90 per cent. With the remaining 10 to 20 per cent, customers can continue to use the legacy data that must be retained for compliance purposes, including the SAP business logic. Tobias Eberle adds: "Before historicization of the data and documents, duplications are purged. Usually this leads to a clear reduction of the data-storage volume. At the same time, it reduces the amount of information to be taken over into the live system."

Current master data

An S/4 roadmap must also include infrastructure. Which questions must be clarified on the subject of hardware sizing and licenses with regard to Hana and S/4? Tobias Eberle: "Users must clarify which data must be migrated to S/4, and what data volumes result from this migration. Specifically this raises the question of whether historical data must be migrated to a new S/4 system." Ideally, S/4 can be used to make a greenfield start, with only the current master data being loaded to S/4. "That way, you can shake off the whole burden of historical data from past years. This has a positive effect on the hardware sizing and licences," Failer explains. Data Migration Services" view is that there should be an



Do you need to migrate historical data to s/4 Hana?

Tobias Eberle, CEO

amortization of investments in licences and hardware after three years, at most. "Faster amortization can be achieved through lower acquisition costs for licences and hardware, for instance. Users can do this by reducing the data volume, by right-sizing and by cutting the running costs for legacy systems, by applying the application retirement that was mentioned," Tobias Eberle notes, summarising his experience from successful projects with clients. Of course, a comparison can be made with the costs of the SAP Cloud Platform – something each company must ultimately face when asking itself: on-premise or cloud? It is worth mentioning, when switching to the cloud model, that the question more in need of an answer is: which data volume is initially loaded?

General Data Protection Regulation (GDPR)

The S/4 roadmap is crucially shaped by the SAP customer's data management; this also makes the forthcoming GDPR relevant. "In implementing the GDPR, we, as a specialist in application retirement, focus on the legacy systems," Thomas Failer notes, summarising the scenario. Lots of customers run SAP systems but not yet 'old' SAP systems, to ensure compliance with the legal framework for data access. Tobias Eberle stresses that the new GDPR also involves deleting certain data upon demand. "On old systems, this requirement is especially hard to fulfil, or even impossible," he points out from experience. "Either because the old systems do not support deletion or implementing it demands so much effort. That is why we at Data Migration Services recommend consistent historicization of all legacy systems, by using JiVS. This stores all data on one platform where it can be managed centrally. JiVS Retention Management now makes it possible to delete data in a selective, targeted way, thus meeting the GDPR's requirements."

Up to now, only every second company in Germany has obtained help from external experts in implementing the GDPR. No more than 48 per cent of all firms with 20 or more staff state that they have brought in specialists from outside their firm, as a representati-

ve survey among more than 500 firms, on behalf of Bitkom, the digital-business trade association, shows.

External help with the GDPR

Most frequently it was external lawyers who were consulted regarding the GDPR, by roughly every third company (35 per cent). 29 per cent of all firms brought in external auditors, whereas external consultation on data protection took place in every fifth company (21 per cent). "By companies' own evaluation, only roughly every eighth company will have fully met the GDPR's requirements by the deadline. Considering this low proportion and the size of possible fines involved, this rather low level of use of external help with implementation is quite surprising," says Susanne Dehmel, Bitkom manager responsible for law and security. "The EU rulings affect practically all companies, because they apply to all firms that process personal data. For those that have not yet done anything, time is gradually running out."

As of May 25, 2018, the time has come, and the two-year transitional period ends for implementation of the General Data Protection Regulation. A survey among DSAG members shows that only little more than a half of the firms surveyed have developed an approach (a roadmap) for implementing the GDPR in their firm.

Only Live Data for S/4

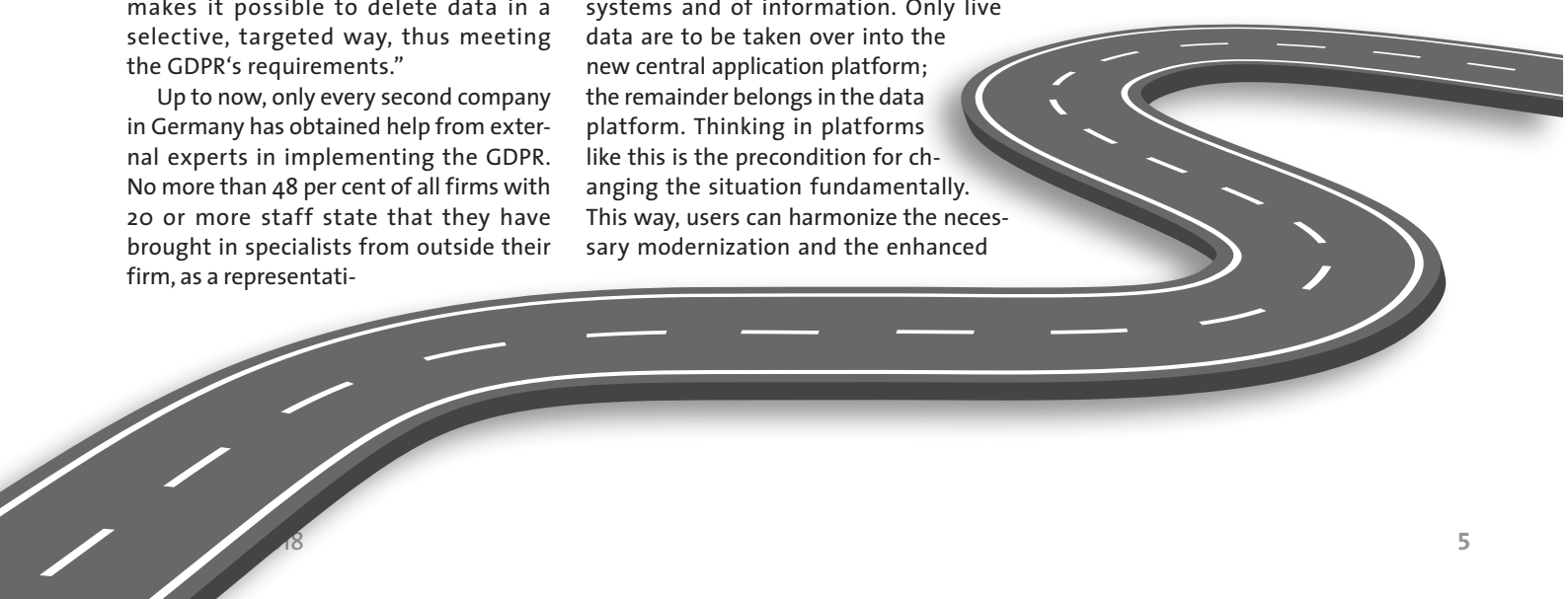
When it comes to data management, how does the SAP community see the situation? Thomas Failer: "We think that the survey's results are truly representative of the situation. It will be hard to comply with the Regulation's rulings if the companies do not end the wild growth in their application landscape and centralize their data retention. Putting both issues together means centralization both on the level of systems and of information. Only live data are to be taken over into the new central application platform; the remainder belongs in the data platform. Thinking in platforms like this is the precondition for changing the situation fundamentally. This way, users can harmonize the necessary modernization and the enhanced

compliance requirements. Even if, at first glance, the new regulation seems to be a new and heavy burden imposed by the state, it can ultimately prove to be helpful in speeding up innovation in SAP customers' IT landscape."

Saving and deleting

What significance does the data deletion (referred-to above) have in general, and specifically regarding the GDPR? In the E-3 discussion Thomas Failer describes it as follows: "The ability not only to store and retain information safely but also to delete it safely, is decisive for master data management worthy of that name." He adds: "Consistently high quality in master data is ensured only by users who can purge the duplicated data sets they hold, often with small deviations from one another, and delete redundant data sets or those with errors." Likewise, CEO Tobias Eberle stresses that there are more and more requirements that explicitly demand this ability to delete. "For instance, for some time now job applications made to companies may no longer be retained indefinitely. Instead, they must be deleted irrevocably after several years."

The new General Data Protection Regulation is introducing a decisive change here. From now, companies must be able to identify and delete each personal-data set. And do this not only when retention deadlines set by law are reached (though these must of course continue to be kept). Rather the new regulation means that a company must remove data if it can no longer prove a legitimate purpose for retaining it. This flexibility, enabling individual data-sets to be recognized and deleted at the press of a button, is best offered by a central data-management platform. This uses built-in functionalities for retention management, including a deleting function," Eberle pointed out, summarizing the future's scenario.





Knowing how it's done

Room For Compliance And Innovations

Pressure to innovate and new compliance requirements place a heavy burden on SAP customers' IT budgets. A central platform for migration, historicization and assessment of data helps to shut down legacy systems, to cut operating costs and to fulfil the stipulations of the General Data Protection Regulation (GDPR).

By Thomas Failer, Data Migration Services

Few topics get as lively a response from SAP customers as the switch to S/4 Hana. There were starting difficulties with the market introduction and there is lasting criticism from the SAP community. Nonetheless, an online survey among 500 decision-makers in the early summer of 2017 by DSAG, the German-speaking SAP users' group, was revealing. By now almost 64 per cent of firms surveyed are investing in S/4 Hana's cloud and on-premise versions respectively. By 2020 a third of the SAP customers will switch to SAP's new generation of software, and now another 20 per cent are already planning the migration for after 2020. This is a mega-project spanning several years, one that will demand a major share of companies' IT budget. It will also strongly influence the SAP customers' general IT strategy. This is because it is not about one functionality or another, one sector-specific solution or another. Rather it is about fundamental issues such as the optimum model used for the IT architecture, one that must be sustain-

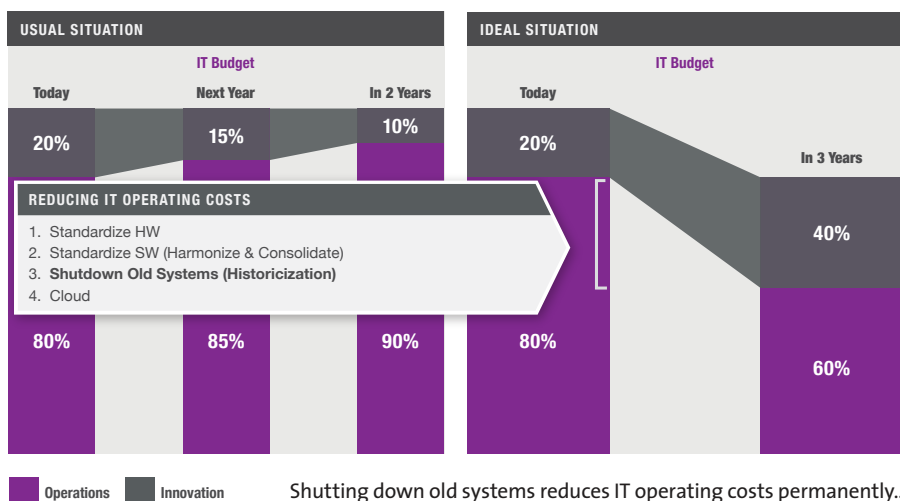
able for many years to come. Also, new compliance rulings, particularly those of the GDPR, demand a previously unknown degree of transparency and documentation in processing personal data, inside and outside the company's datacenter.

It is no longer enough to have audit-proof storage of this data and the optimum protection against unauthorized access to it. Instead, the firms must now, always and more or less at the press of a button, know and prove where and how personal data is being processed, and by whom. They must always be able to intervene in these processes, for instance to meet their extensive duties to provide information. These duties relate both to the public supervisory authorities and also, and primarily, to people about whom data is stored. Previously it was a matter of gathering data as comprehensively as possible and storing it safely. Now, despite necessary archiving and back-ups, the data sets to be retained must be minimized and, where applicable, deleted. Only in the rarest cases do legacy systems and

legacy archives offer possibilities for this. So, here too, conversions and investments of considerable scale are on the agenda. And time is pressing on. From May 25, 2018 onwards, breaches of the Regulation are subject to penalty.

Squaring the circle

To some degree, the pressure to innovate and new compliance rules challenge IT departments to square the circle somehow. Surveys show time and again that around 60 per cent of the IT budget is consumed by pure IT operations, with only 20 per cent being available for investment in innovations. Often, all of 70 per cent goes towards expenditure for legacy systems. Yet what would be ideal is a split that gives 60 per cent to IT operation and 40 per cent for innovation, on a lasting basis. Granted, the quoted DSAG survey shows that IT budgets for 2017 grew by almost five per cent on average, compared to 2016. Yet even an increase of that size is not enough to provide the IT departments with the resources needed to digitize their companies and their business models. Reviewing these figures, the solution is readily at hand. The cost block allocated to operation of the legacy systems must be cut permanently. The chosen resources for dealing with this are consolidation and shutdown. Gartner has also examined this topic, observing providers that enable firms to shut down legacy systems, in its "Magic Square for Structured Data Archiving and Application Retirement," most recently updated in June 2016. The key point is that Gartner wants solutions provided to no longer be seen purely as costs. The analysts' firm concludes that "structured data-archiving and application retirement can bring about a significant ROI."





Cost efficiency and compliance: JiVS is the path to S/4 Hana.

Permanent reduction of operating costs

There is a precondition for a solution like this, aimed at a shutdown of legacy systems, one that quickly amortizes the necessary investments and then cuts operating costs on a lasting basis. It is standardization and amortization. The JiVS solution from Data Migration Services in Switzerland provides exactly these characteristics. They are the result of many projects on data migration and shutdown of legacy systems. In practice, JiVS can be proven to have cut operating costs by 80 to 90 per cent after shutdown of the legacy systems. With the remaining 10 to 20 per cent, customers can continue to use the legacy data that must be retained for compliance reasons, including the SAP business logic. Archiving and continued use are possible at the press of a button. Data Migration Services calls this "Application Retirement."

JiVS is a Java-based platform, a combination of standard technology, standard applications and standard methods. The JiVS platform's heart is that it can detach data and business logic from the source systems and target systems. This also offers the unique chance to clean the data sets available, in particular the master data. Clean master data is vital for the successful switch to S/4 Hana. Also, on an unlimited basis, this applies to fulfilment of the GDPR's requirements because the solution enables firms to state, without any gaps, which personal data they have on EU citizens, where the data is kept, for what (legitimate) purposes it is processed, whether this data is correct, and whether

the only data kept is what these purposes require. Yet JiVS also offers targeted deletion of those data sets that were taken over from defunct legacy systems and are archived. Also, archive data and live data can be given retention deadlines. These ensure that (for instance) invoices that include personal data are deleted irrevocably and automatically once the legal retention deadline passes. If an automatic deletion must be put on hold, for instance due to a current legal dispute, this is also possible at individual-data-set level. "Retention Management" is the key term here. The relevant functionality is a constituent part of the JiVS platform.

Rose: successful migration to S/4

An up-to-date example of a successful migration to S/4 Hana is the project for "Zur Rose", the Switzerland-based mail-order pharmacy and doctors' supplies wholesaler, to which such well-known brands as DocMorris belong. The company's goal in migrating to the new SAP generation was to give a uniform structure to its heterogeneous IT landscape, to separate legacy data from current data, and also to

Thomas Failer,
 Founder of Data Migration Services.

achieve a lasting reduction in operating costs. The customer benefit: "We are handling two major issues at once," noted Michael Herrmann, Project Manager, Zur Rose Suisse. "For us, the key point was to achieve both the post-cleaning handover of the data from the legacy systems and, simultaneously, archiving that complies with all relevant law."

Conclusion

The SAP customers face a dilemma as they deal with budget limits on the one hand, and pressure to innovate as well as compliance-related requirements on the other. Shutting down legacy systems and legacy archives is the path leading out of this dead-end. Intelligent platforms such as JiVS mean both a reduced number of SAP systems in operation and fewer data sets retained in them. JiVS creates the necessary financial room to maneuver for SAP software's new generation, making customers' IT landscapes ready for today's and tomorrow's compliance requirements.





Zur Rose shuts down legacy systems

The Shortest Path To S/4 Hana

SAP customers know: ultimately all paths lead to SAP S/4 Hana. But which path is the fastest and simplest? The Zur Rose Group of Switzerland knows the short-cut – shutting down legacy systems.

Each day Zur Rose orders 80,000 items directly from the manufacturers or wholesalers of pharmaceutical and medical products. On average, it only takes about two weeks for a complete clear-out of inventory in Zur Rose's warehouse, with around 10,000 items on stock. So specialist knowledge and excellence in logistics are among the firm's important core competences. These also include sector-specific expertise as a doctors' supplies wholesaler and mail-order pharmacy. The start was a simple idea: in 1993 Walter Oberhaensli, the lawyer and current CEO, wanted to establish a pharmacy on the property "Zur Rose," that he had acquired in Steckborn, Switzerland, following closure of that community's only pharmacy because it had no new successor to run it. Because initially it was not possible to find a tenant for the new pharmacy, Walter Oberhaensli joined forces with local doctors. They jointly founded the "Zur

Rose" pharmacy, also acting as a community of buyers for the founding doctors, ensuring cost-competitive supply of medication. Later, this developed into the mail-order trade in medicines. From 2001 Zur Rose began sending medicines directly to patients. The goal of guaranteeing a secure, cost-competitive, high-quality supply of medication gained positive feedback from customers, against the background of rising health-care costs.

Step by step, with his persistence and specialist knowledge of the law, Walter Oberhaensli proved able to overcome legal obstacles along this path. By taking over the mail-order pharmacy firm DocMorris in 2012, Zur Rose succeeded in further expanding its market position in Germany. By now the firm is Europe's leading mail-order medicines supplier. Zur Rose is now employing more than 1,000 staff at its various sites and has a turnover of over CHF 880 m. in business-year 2016 (approx. EUR 808 m.). Strong growth and a variety of subsidiary companies and sites in Switzerland, Germany and the Netherlands are the Zur Rose Group's key features today. Yet even the light of the happiest success story is casting a shadow. Typically for an international company, takeovers and fast growth led to the emergence of a heterogeneous IT landscape, with five different ERP systems and three different database systems.

Long-term, heterogeneity is too costly

"What is costly about a heterogeneous IT environment is not only the licenses. Most of all, what makes a negative

impact is the staff workload on maintenance and upkeep of existing systems," Michael Herrmann, Project Manager at Zur Rose Suisse, emphasizes. "To this day, all our ERP systems are hosted internally, meaning that we also have to take care of the infrastructure. It uses a lot of resources to take care of the various software solutions and to master the resulting complexity. Long term, in the era of cloud computing and new software generations, a situation like this is not what we want." Therefore Zur Rose decided in 2015 to reshape its IT landscape. The guiding principles were modernization and centralization. The new generation, S/4 Hana, was chosen as the future integrated ERP system; this can visually present the Zur Rose Group's planned level of growth, also over the long term. "This decision also offers the opportunity to present, visually and uniformly, the processes involved in administering orders and in purchasing, both for B2B and B2C business; these are now still running on different ERP systems," Michael Herrmann explains.

Safety and data security

For many years now, hardly any business sector has been regulated as strictly and comprehensively as healthcare. For mail-order supply of medicines, what is decisively important is safety in their supply. Therefore, the law has for a long time demanded end-to-end tracing of production batches and required retention periods for patient files, which can span several decades. "This special situation led to our company having a very high degree of digitization in our processes, long before that



The most important thing is that we will hugely reduce complexity in our IT!

Michael Herrmann, Project Manager at Zur Rose Suisse.

term became the latest buzz-word,” Michael Herrmann notes. “For a long time now, faxes or other correspondence with business partners have been systematically archived digitally. As a result, our systems’ data-storage volume is large – another reason for switching to the planned central ERP system.”

Solution for the legacy systems

You may wonder: what about the legacy systems? The various rules that govern data storage and the rules on documentation mean that users must also be able to make evaluations in the future, if needed. So the business logic of the ERP systems used until now must be retained. “It does go through a user’s mind to conclude that, as part of a centralization, the legacy systems should simply be switched off, but in practice this is no easy problem to solve. On central modernization projects, this issue is in fact the Achilles heel with regard to introducing a new software generation”, Michael Herrmann points out. Therefore, paralleling the decision to migrate to S/4 Hana, Michael Herrmann and his team were seeking a central solution for archiving the stock of data and documents that formed the legacy systems that were to be replaced. These also needed to offer the possibility of definitive deletion of data, a functionality that the new General Data Protection Regulation (GDPR) demands.

Of course, running the new solutions must be more cost-competitive, on a lasting basis, than the workload involved in taking care of the legacy systems. “Anyone getting a market overview soon realizes that the number of solution providers in this area is limited. A service provider that perfectly matches Zur Rose’s requirements



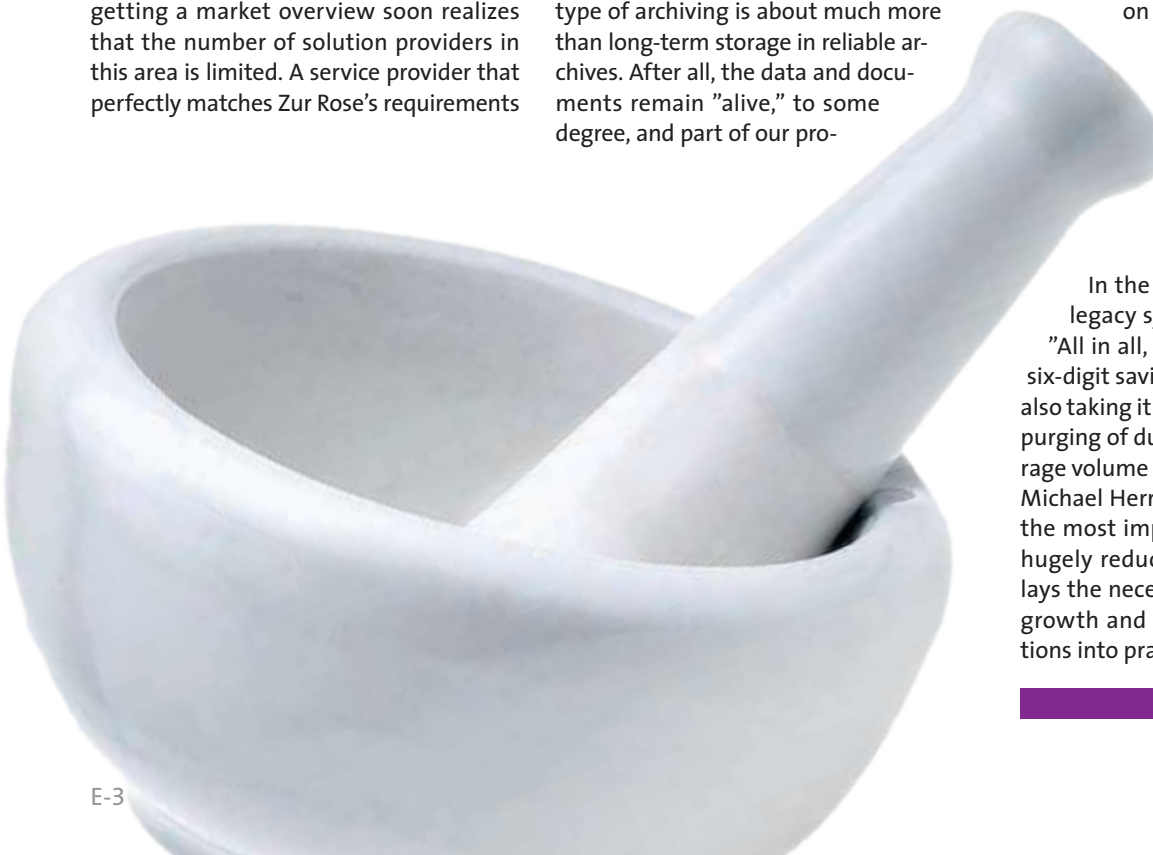
Industry specific requirements like end-to-end tracing have long forced a high degree of digitization in process design at Zur Rose.

is the Swiss firm Data Migration Services, with its JiVS platform,” Herrmann explains. The JiVS platform’s first test of strength comes this spring, as soon as the first phase is over for switching to a central SAP system in the areas of master data and purchasing. Then part of the data and documents will be migrated away from the ERP system and onto the new platform. This means several billion data sets or around half the total data volume. “This type of archiving is about much more than long-term storage in reliable archives. After all, the data and documents remain “alive,” to some degree, and part of our pro-

cesses. That is why, like the original producer, we speak of application retirement, rather than archiving,” Michael Herrmann adds. For instance, this means that, over decades, users can trace which patient got which medication and from which production batch this originated. JiVS is implemented by T-Systems Data Migration Consulting, the largest partner of Data Migration Services. This Swiss subsidiary of T-Systems is responsible for migration of the stock of data and documents, taking over operation of the JiVS platform in Zur Rose’s datacenter in Switzerland.

Room for innovations

In the next three to five years, the legacy systems are to be shut down. “All in all, what we expect from this is six-digit savings on running costs. We are also taking it as our starting point that the purging of duplications will lower the storage volume used, by around 30 per cent,” Michael Herrmann is happy to note. “But the most important thing is that we will hugely reduce complexity in our IT. This lays the necessary foundation for further growth and for putting innovative solutions into practice in the future.





Switch off, save money, achieve legal compliance

New Recipe For Historical Data

Asahi, the Japanese brewery group, is shutting down 25 legacy systems in Central and Eastern Europe, thereby making a lasting reduction to its running costs for access to legacy data.

By Tobias Eberle, Data Migration Services

The takeover of SABMiller's Central and Eastern European business by the Asahi Group from Japan created headlines in 2016. What is less known is this business area's strategic SAP project: the switch to a uniform SAP solution and the shutdown of around 25 ERP legacy systems.

Brewing groups' mega-mergers

Concentration in the brewing sector is pushing ahead constantly, so much so that the public guardians of free competition got involved amid the latest mega-takeovers. The public authorities insisted that, as part of its takeover of SABMiller, Anheuser-Busch InBev sells that company's business in the Czech Republic, Slovakia, Poland, Hungary and Romania. As the undisputed Number One in Europe, Anheuser-Busch's market position was not permitted to become even more dominant. For Japan's Number One in brewing, the Asahi Group, this was the perfect chance to build up a strong presence in Europe. Thanks to this takeover, Asahi Breweries Europe is today Number Three in the European beer market and owner of well-known traditional brands such as Pilsner Urquell and Meantime, the London-based pioneer of craft beer.

Takeovers and high market-concentration levels often point to intensified competition, with intense pressure on margins. Europe's beer market is a fierce battleground. As is true for all large firms, the company's IT heartbeat is the ERP system. SABMiller used more than 25 ERP systems in Central and Eastern Europe, in part provided by local suppliers. To achieve synergy effects and thus savings on licenses, data-center infrastructure, and maintenance, SABMiller had set up a strategic SAP project, that was about consolidating all ERP

systems into a uniform SAP solution, to be operated in one single, centrally-located datacenter.

Data archiving alone is not enough

Aside from the huge cost regarding effort, technically and in human-resource terms, the financial benefit in this project appears to be obvious. "But the whole exercise remains a misguided calculation if the costs for availability of historical data are neglected. This is because ERP data from legacy systems, whether in finance or personnel, are subject to various retention periods specific to the relevant country; they must therefore be kept for different time periods," stresses Maciej Malczynski, Head of Portfolio and Programs, IS Projects at Asahi Breweries Europe. "Data-archiving is not an adequate solution for this. Ultimately, all relevant data sets and documents must be retained in the original business context."

Typically, this means that users need to retain the original systems for as long as the data must be kept to comply with the regional law. In Asahi Breweries Europe's case, the result would have been that individual systems, especially on personnel matters, would have needed to continue to be run for up to 50 more years. Long-term, this would have reduced to nothing the cost-saving effects that come from centralization into a uniform SAP solution.

"So, when the decision favoring a uniform SAP template was taken in 2015, it was quickly clear that, accompanying this, we had to migrate the legacy data, together with the business logic, onto a new platform, ideally also a centralized one; this is so that we can continue to have access to that data, independently of the original systems and yet still with full legal security," Maciej Malczynski emphasized.

Yet the search for a perfect-fit solution, one that also promised low operating costs on a lasting basis, proved to be harder than was first thought. There were few solutions on the market that offered options for mastering this problem. Maciej Malczynski noted: "So it is all the more positive that, in the autumn of 2015, we became aware of the JiVS solution. Here, everything was right: the scope of the functions, the acquisition and operating costs, the references and the operating model."

Top management's support

In all, the JiVS project lasted 18 months and demanded several client-specific developments, to extract the data from what, in part, were legacy systems with very particular features. The systems were no longer supported by their original producers. The task was then to migrate the data into a technically newer format in a legally secure way, i.e. without changes or the capacity to make changes.

Around 25 legacy systems were shut down in this way. A total of 10 TB of data, all normalized onto an SQL format, and 20 TB of documents, were migrated onto the JiVS platform and stored there. In this way, around 40 application users from the Finance and Auditing departments respectively can access the historicized legacy data at any time. All this data is given an expiry date. On that date, JiVS's Retention Management automatically activates the deletion.

"The historicization and switching-off of the legacy systems had to "run in parallel", so to speak, because the switchover to the central SAP solution demanded most of our internal resources," Maciej Malczynski emphasized. "So we were happy that Data Migration took over running the solution for us. We use the platform as Data Access and Document Access As-A-



After the merger with SABMiller, Asahi has faced and mastered the challenge of integrating over 25 unique ERP systems in Eastern and Central Europe – like the one in Pilsen – into their own SAP System Landscape.

Service. So far everything is working perfectly. None of our application users have the right to change anything in the data sets, and, of course, the information given is transferred on the basis of powerful encryption.”

In April 2017 the last of the legacy systems was switched off. This ended the application retirement of the legacy data and documents, by means of JiVS. Even if the number of application users for a solution like this is naturally limited, because you are dealing with legacy data, top management’s support is still needed. “This was easy to get because the commercial advantage was self-evident. In our case, this means: for each instance of shutdown we save as much per year as the whole project cost. And the fees for access as a service are well below the earlier expenditure for running and maintaining the old systems now no longer in operation,” Maciej Malczynski calculates. “Still, the resistance from the various departments was very great, as always whenever the subject is financial data and legal requirements. This should not be underestimated. For this reason the top management’s backing is decisive for the whole project’s success.”

Asahi Breweries Europe is now evaluating the impact of the new General Data Protection Regulation (GDPR) on the firm’s IT landscape. The transitional period gran-

ted to companies, including non-liability to prosecution, expires this year on 25 May.

Platform for legacy data and legacy documents

With its JiVS project, Asahi Breweries Europe can be seen as having taken an important step towards meeting the Regulation’s requirements, at least with regard to old data and documents. Thanks to JiVS the brewery is able, practically “at the press of a button”, to examine its legacy data stock. Thus it can ascertain, at individual data-set and document level, which personal data and information was stored, and in which context. Asahi Breweries Europe fulfils its information duties in relation both to public supervisory authorities and to its customers. However, the company can always make deletions if the evaluation concludes that this is what is needed.

“From the financial and the legal viewpoint, the JiVS project is proving more and more to be an investment in the future,” Maciej Malczynski notes, in summing up. “Bearing in mind everything I am hearing from my counterparts in other firms, as I see it we are in a comfortable starting position with regard to the GDPR.”

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