



TJC
GROUP

BECAUSE YOUR DATA MATTERS



Preparing your Business for S/4HANA Migration

***Reduce the scope, complexity and total cost of your
SAP S/4HANA migration project***

Steve Peirce

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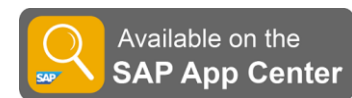
Senior SAP Consultant



Date: 15th June 2021

TJC Company Overview

- **20+ years** of experience in Data Volume Management and **10+ years** in Tax and Audit
- Solutions to overcome DVM challenges on the move to S/4 HANA, or any other ERP
- Thought Leadership in Data Archiving & GDPR, Retirement of Legacy Systems and Compliancy on Tax & Audit
- +500 clients worldwide



TJC Group: 4 areas of expertise

01 SAP DATA ARCHIVING & SAP ILM

- Make the right-sized move to **S/4HANA** and Lower the TCO of **S4**
- Automation of recurring Data Archiving for long-term benefits

02 GDPR SAP DATA MANAGEMENT

- Manage data in your **SAP** systems to comply with Global Data Protection Regulations.

03 RETIREMENT OF LEGACY SYSTEMS

- For SAP and non-SAP systems
- Based on **SAP Cloud Platform**

04 COMPLIANCY: TAX & AUDIT READINESS

- Compliancy with tax and audit regulations
- FEC and SAF-T standards



Agenda

- Archiving Before the move to S/4HANA
 - Benefits & Recommendations
 - Case Study
 -  British Telecom
- Residence & Retention
- External Storage
 - Options & Advice
- SAP ILM
 - A Critical Part of your Archiving Strategy
- Q&A



Archiving before the move to S/4HANA

Recommendations, Benefits & Best Practice

SAP S/4HANA: Timescales for ECC End of Life Support



Original date given by SAP in 2015 to stop ECC support (10 yrs notice)



Customers can now extend support at minimal extra cost (EHP 5, 6, 7)



New cut-off point. Likely to be very expensive (EHP 6, 7 only)



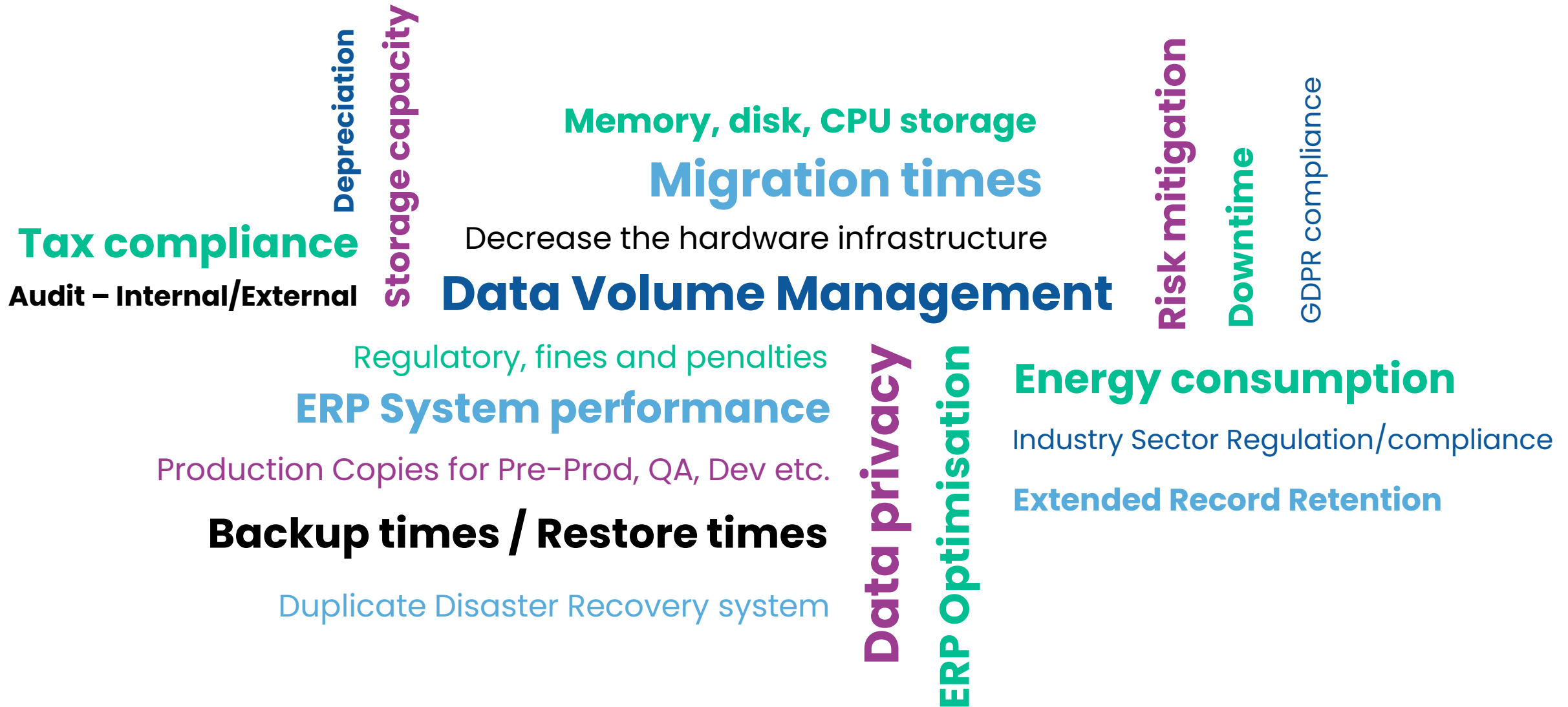
Typically...

Assessment & decision (upgrade to S/4HANA or move to another ERP) ➡ 1-2 years

Project timescale ➡ 12-18 months

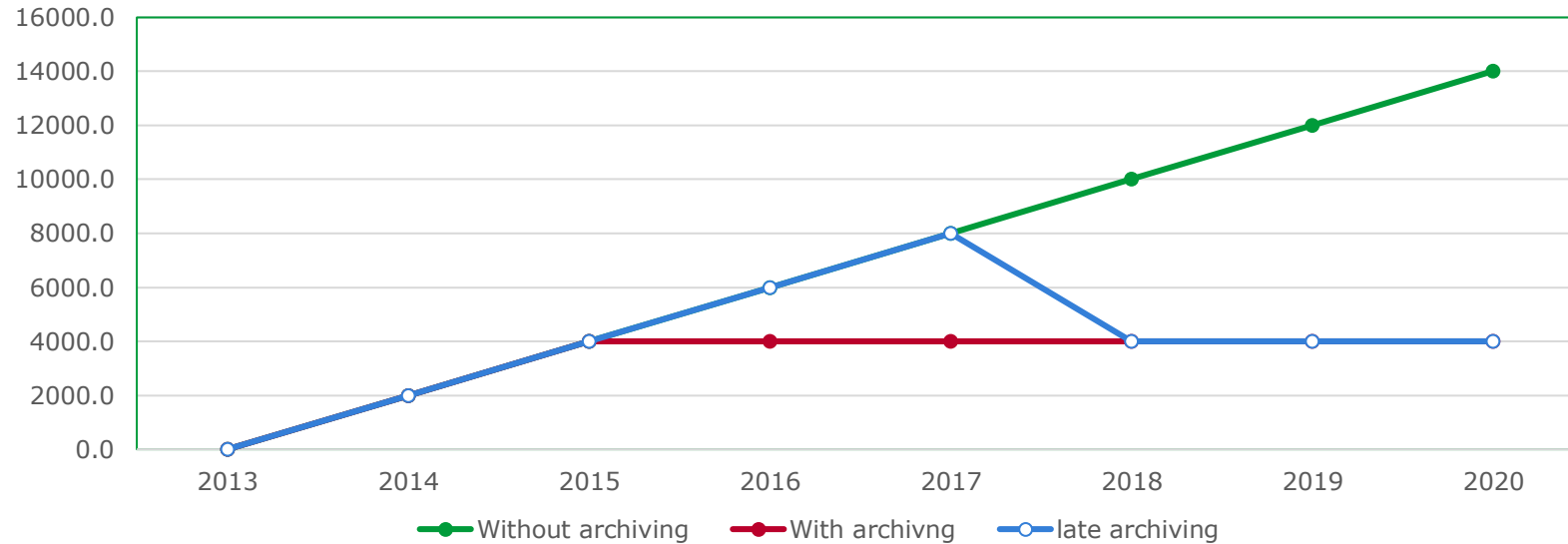
New customers:
Straight on to S/4HANA
Existing SAP users:
Upgrade from ECC 5/6 to S/4HANA (or via HEC)

Typical ERP TCO components



Reduce Data Volume & Control Data Growth

Impact of 2Y 'magic' archiving Volume in GB



WITHOUT Archiving

- Performance problems are inevitable
- HANA migration and/or refreshes last too long
- Volume-based licence model is very expensive
- Volume growth of DB is uncontrolled
- Data protection, Retrieval, Audit – all can be compromised

WITH Archiving

- Lean SAP DB with good retrieval performance
- Accurate and clean data base for analyses
- Reduced migration (HANA)/Refresh/Maintenance
- Reduced licence costs (HANA)
- Volume growth is tightly controlled
- Data protection and fast retrieval is guaranteed



Case Study

❖ Phase 1

Moving to HEC

❖ Phase 2

Migration to S/4HANA



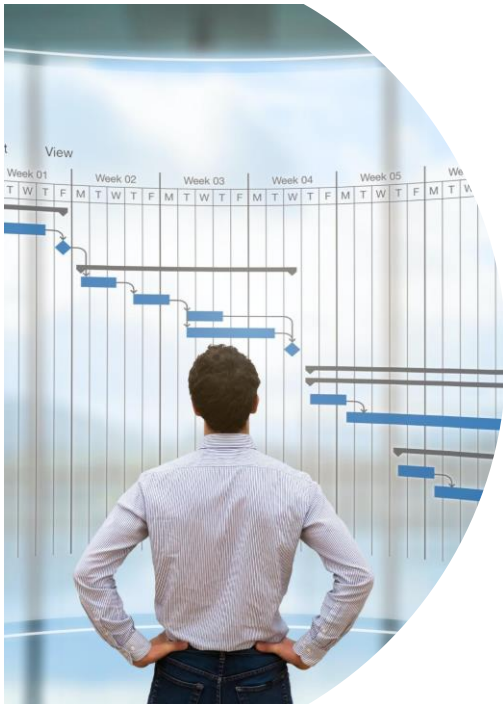
BRITISH TELECOM



Methodology

Expertise

- Your archiving strategy
- Growth table
- Table of charges
- Result commitment

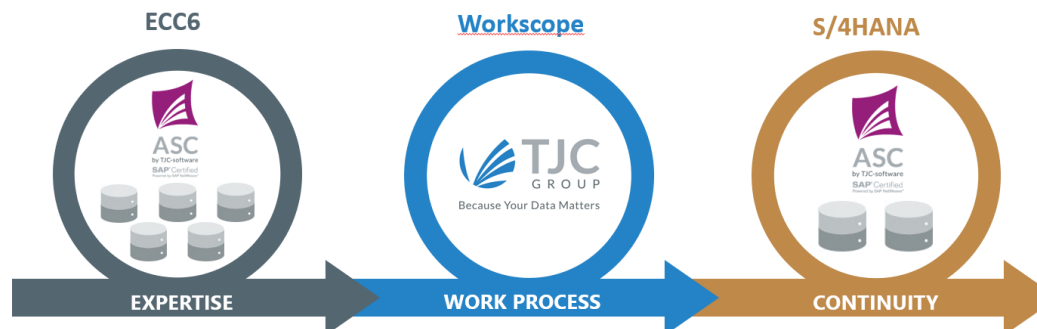


Archiving Project

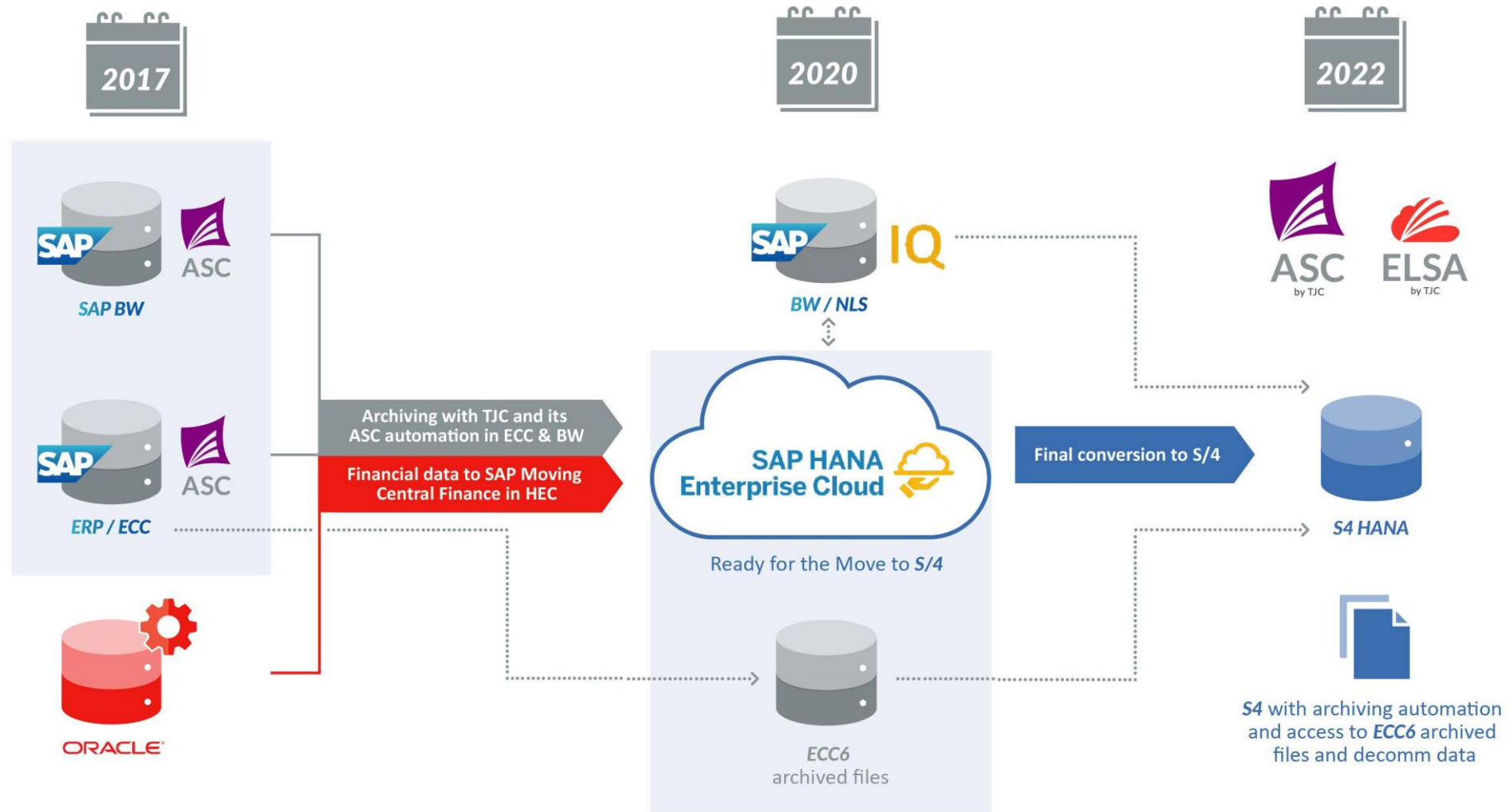
- Analysis
- Realism in pre-production of archiving
- Validation by object
- Implementation in live

BPO

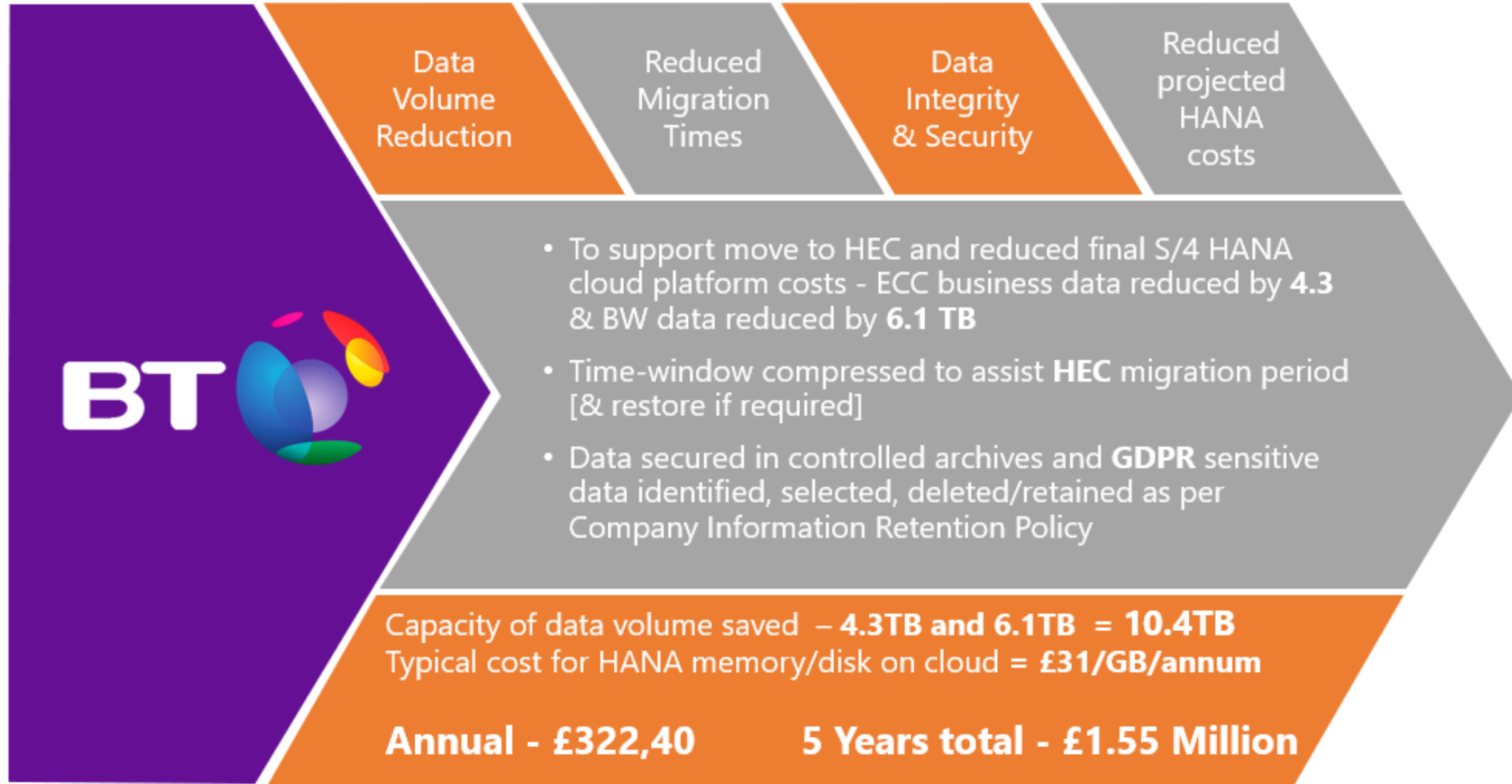
- Management of ASC
- Monitoring the recurring follow-up of the archiving processes
- Remote intervention
- Upgrades
- Tax /audit support
- Addition of archive-objects
- Improving archiving
- Continuous reporting
- Evaluation



British Telecom: The Journey to S4



British Telecom: The Journey to S4



British Telecom: Takeaways



DATA ARCHIVING STARTED BY BT TO SUPPORT MIGRATION TIMESCALES

Data Archiving started in ECC and automated to minimize resources and maximise data volume reductions. Data secured, named & traceable for **Tax/Audit/Regulatory purposes**.



GDPR: EXTENDED ARCHIVING WITH ILM OBJECTS TO CONTROL DATA

TJC's expertise enables a 'bottom-up' approach to **SAP ERP** systems and select the identified **GDPR** sensitive data for action(s) – Retention/deletion.



BW: NLS ARCHIVING TO MANAGE HANA COSTS IN TARGET S4 SYSTEM

By removing significant data from BW reduces the target system **HANA** requirements and thus the costs – this is a permanent savings year on year as it creates a lower entry point on HANA



TOTAL COST OF OWNERSHIP: ACCUMULATED GAINS

Managing the data volumes in **ECC & BW** reduces **HANA** requirements in the final S4 platform; impacts energy costs, reduces timeframes on back-up/migrations/restores; enables safer **BAU** routines on upgrades, enhancements and transfers.

British Telecom: The Final Step – Decommissioning ECC

Sales Order Demo Graham LITTLE

Sales Document: 8330...8333 1 More
 Sales doc. type:
 Created On:
 Sales Org.:
 Distr. Channel:
 Selection Criteria: All Sales Order
 Data Source: SAP Archive 2 More
 ELSA Workspace: D60
 Adapt Filters **Go**

▼ **SAP Data (3)**

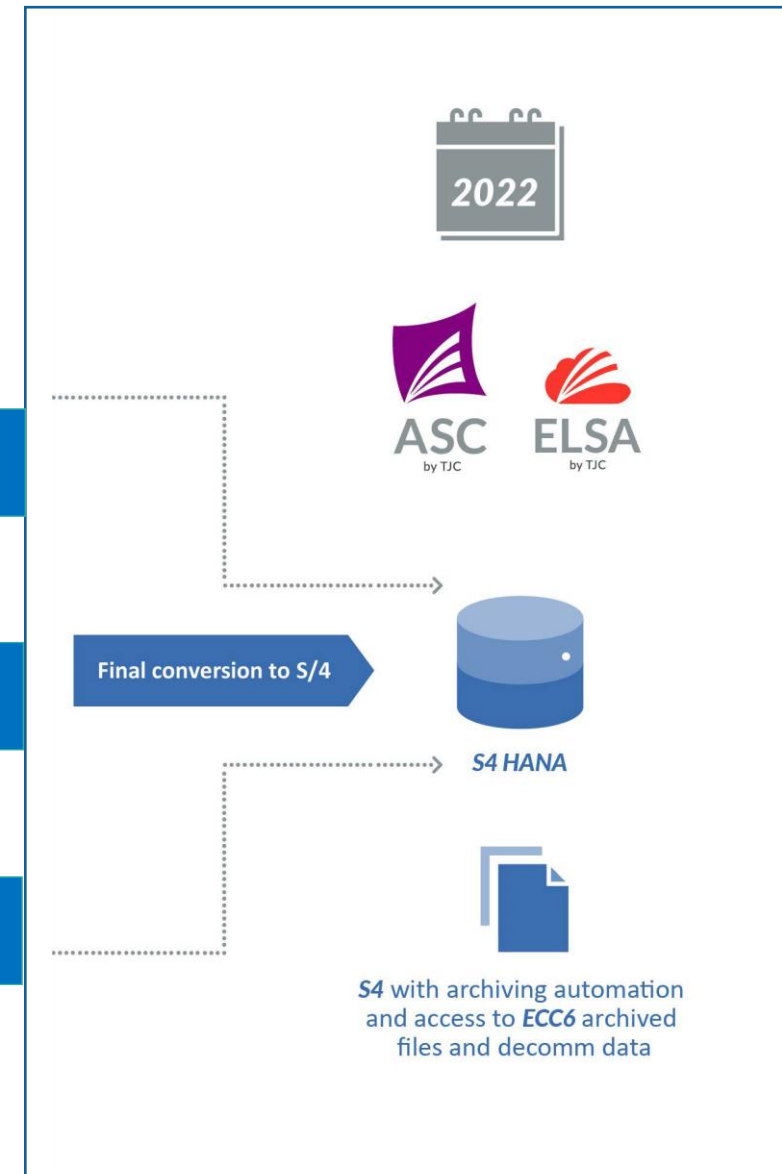
Sales Document	Sales Document Type	Document Category	Doc. Date	Sales Organization	Distribution Channel	Net Value
1000	OR	C	Mar 22, 2016, 12:00:00 AM	1710	10	239750.000
8332	OR	C	Jul 22, 2016, 1:00:00 AM	1710	10	16.900
8333	ZOR	C	Jul 22, 2016, 1:00:00 AM	1710	10	1.150

▼ **ELSA Data (4) - (D60)**

Sales Document	Sales Document Type	Document Category	Doc. Date	Sales Organization	Distribution Channel	Net Value
8330	OR	C	Dec 4, 2002, 12:00:00 AM	1000	10	30820.000
8331	OR	C	Dec 4, 2002, 12:00:00 AM	1000	10	30820.000
8332	OR	C	Dec 4, 2002, 12:00:00 AM	1000	10	30820.000
8333	OR	C	Dec 4, 2002, 12:00:00 AM	1000	10	30820.000

▼ **Archive Data (2)**

Sales Document	Sales Document Type	Document Category	Doc. Date	Sales Organization	Distribution Channel	Net Value
8330	OR	C	Jul 22, 2016, 1:00:00 AM	1710	10	209007.000
8331	OR	C	Jul 22, 2016, 1:00:00 AM	1710	10	38705.000



Total Cost of Ownership (TCO) Per Legacy System

Hardware

Costs for Technical Infrastructure

- Computer Hardware
 - Network
 - End-User Environment
 - Green-IT (Power consumption, cooling, etc.)
-

Software

Costs for System & Application Operations

- Computing Hardware
 - End-User Environment
 - Extended Maintenance Fees
-

Operations

Costs for System & Application Operations

- Monitoring
 - Administration
 - Problem Management
 - Change Management
 - Service Desk & Incident Management
-

Application Improvement

Costs for Continuous Improvements

- Process Design
 - Organizational Changes
 - Technical Setup
 - Business Setup
 - Project Mgmt.
 - Testing & Training
-

Legacy ECC System: Retain or Decommission



RETAINING A LEGACY SYSTEMS
MEANS KEEPING THE COSTS

The **need to retain a system** is really only if you have to re-access information very often [Hourly], otherwise the value will reduce year-on-year



DECOMMISSIONING THE SYSTEM
TO AN EASY ACCESS, SECURE AND
FAST PLATFORM

When a system is **decommissioned**, the Applications are lost but the data is available, enabling it to be searched and retrieved quickly



KEEP THE REQUIRED DATA IN A
TRACEABLE AND TRACKABLE
ENVIRONMENT

When a system is **archived and/or decommissioned**, then the records of who did what and when, means all data can be traced back to its source - tracked and audited



REDUCING CURRENT & FUTURE
RISKS OF NON-COMPLIANCE

Once you can demonstrate that all data can be **traced, tracked** and is **auditable** then you can answer compliancy & regulatory questions with confidence

Residence & Retention

Definitions & Considerations

Residence vs Retention

Residence is the amount of time data *resides* on the SAP database before being archived.

The **retention period** is the total length of time that data is *available to be displayed* from an SAP system, regardless of whether it resides on the database OR is retrieved from the archive before it is destroyed.

Data retention is secure and archive files are 'unreadable'.

SAFE

Archiving data can be monitored and controlled – access and authorities can be applied

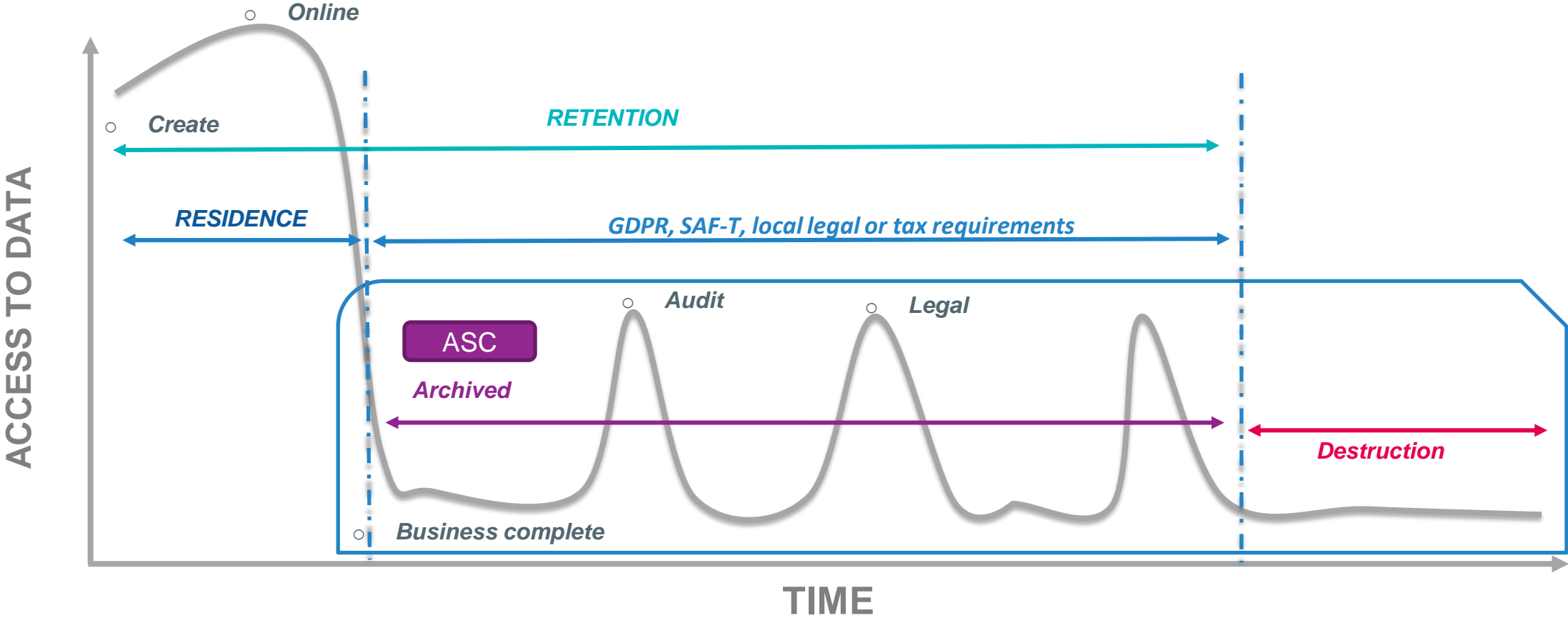
SECURE

Archive files cannot be read externally – Viewing has to be via the originating systems

FUTURE PROOF

Archive files created in ECC can be migrated to S4 and configured to be securely read

Data Lifecycle

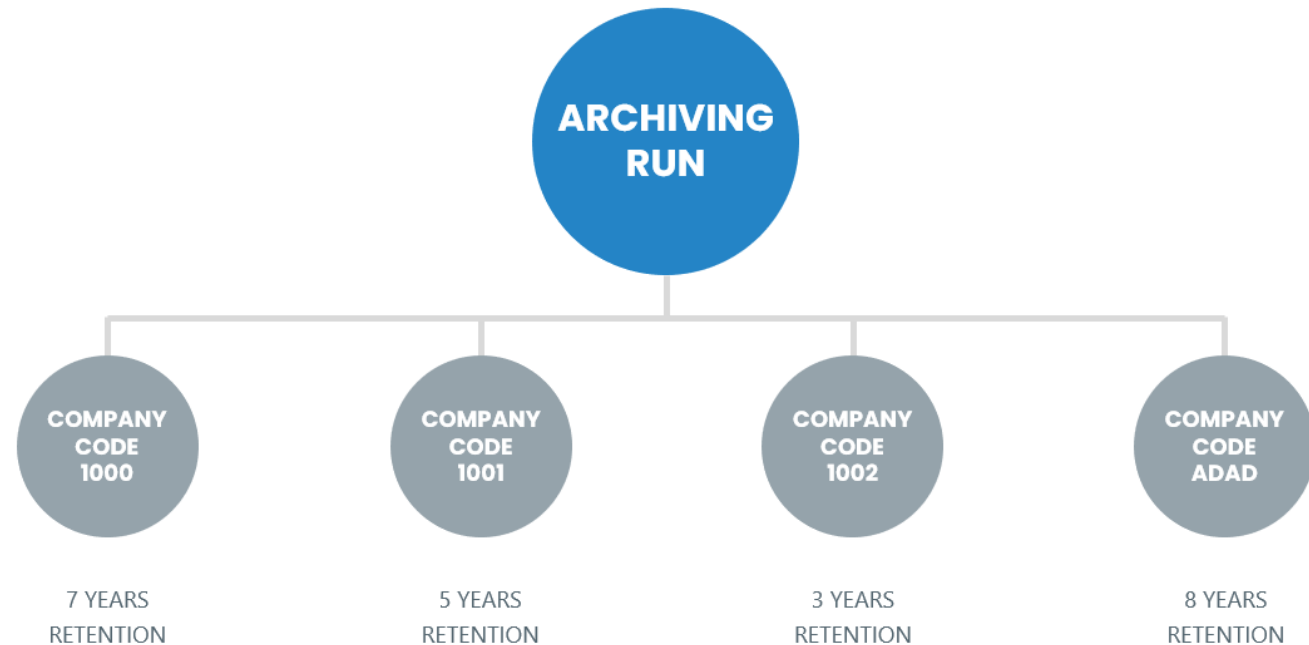


Managing tax & audit retention requirements in different countries?

When archiving is performed, each archiving object has different selection criteria which manages what data gets archived in each archiving run.

This enables companies to segregate data contained in archive files by organization structure. So, for example, all financial accounting documents can be separately archived for each Company Code that exists in the system.

By doing this, different **retention** and **residence** periods can be set up for different organisational structures which allows you to manage data specific to the legislation for that set of data.



Managing Data Expiration & the Secure Data Location

Manage and enforce retention policies

- Set policies for automatic data retention and subsequent destruction
- Retain data according to set policy (per company code / country)
- Responsibly destroy data when expiration date has been reached

Maintain Separate Archives per Retention Period

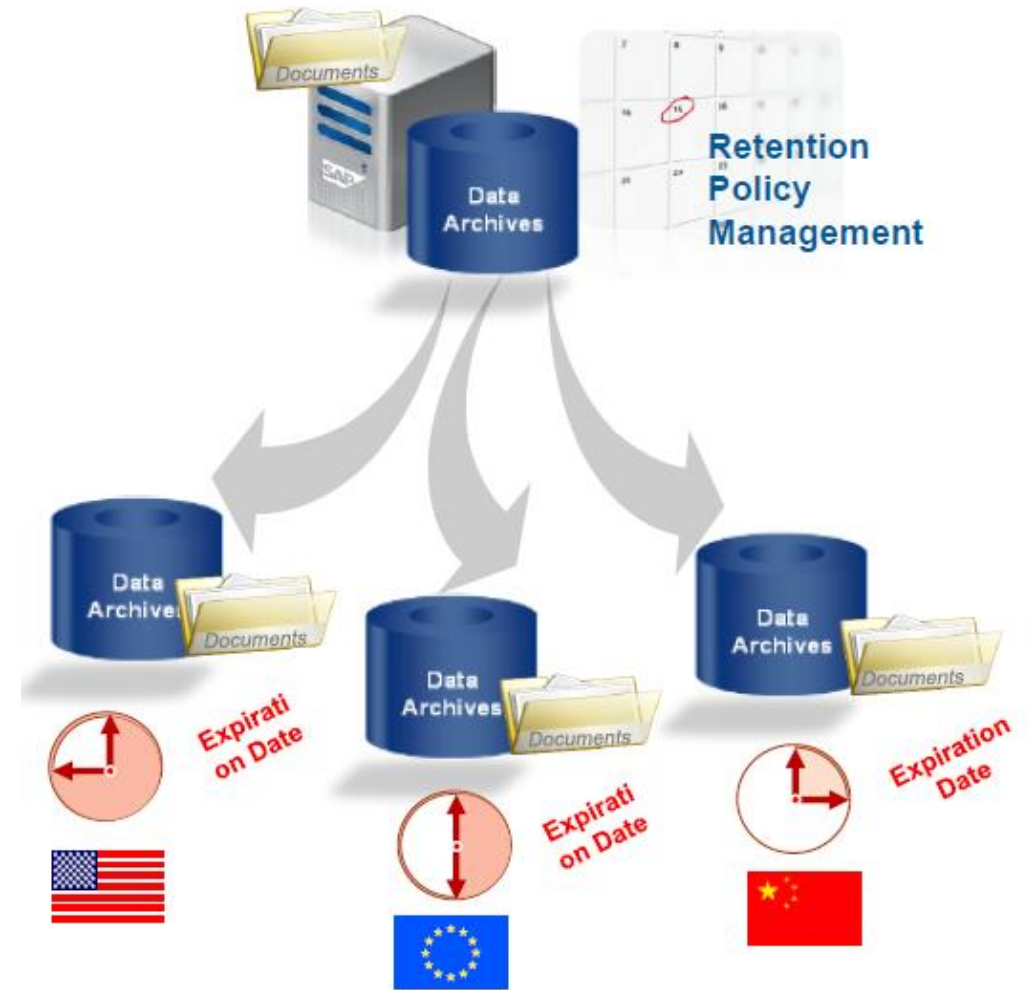
- Create multiple data archives for each data expiration date

Satisfy Data Requests

- Search for information in response to legal requests

Apply Hold on Data

- Automatically prevent data deletion or destruction
- Apply holds to archives and current database



Considerations

There are various different ways to set up your archiving solution. Each have their own pro's and cons and the best options would have to be discussed with your technology service provider.

Things to consider would be:

- Cost
- Latency
- Disaster Recovery
- Ownership
- Support provided
- Forward compatibility

NOTE: If using a 3rd party storage solution as an archive server, make sure the solution is SAP certified.

External Storage Options

Options & Advice

Largest Global Cloud Solution Providers



Google Cloud

 Alibaba Cloud



Average £31 / GB / year

Storage Options

Storage Options

- Cloud Solutions – Amazon Web Services, HANA Enterprise Cloud (HEC), MS Azure, Google Cloud
- Onsite Solutions – Opentext, Netapp, Commvault
- Flat File Archiving – Archiving to local network / server location

Best advice for archiving files?

- In our experience, 99% of companies are able to store their archive files on their own file servers.
- The exception would be if there was extremely sensitive material that needed a very secure, encrypted environment (ie – not on a SAP content server).

Retrieval Strategy

- Typically, 4 years for FI docs; 3 years for other transactional docs; 6 months for IT/technical docs. Different for every customer.

SAP ILM

A Critical Part of your Archiving Strategy

Observations About the Swedish ILM Market

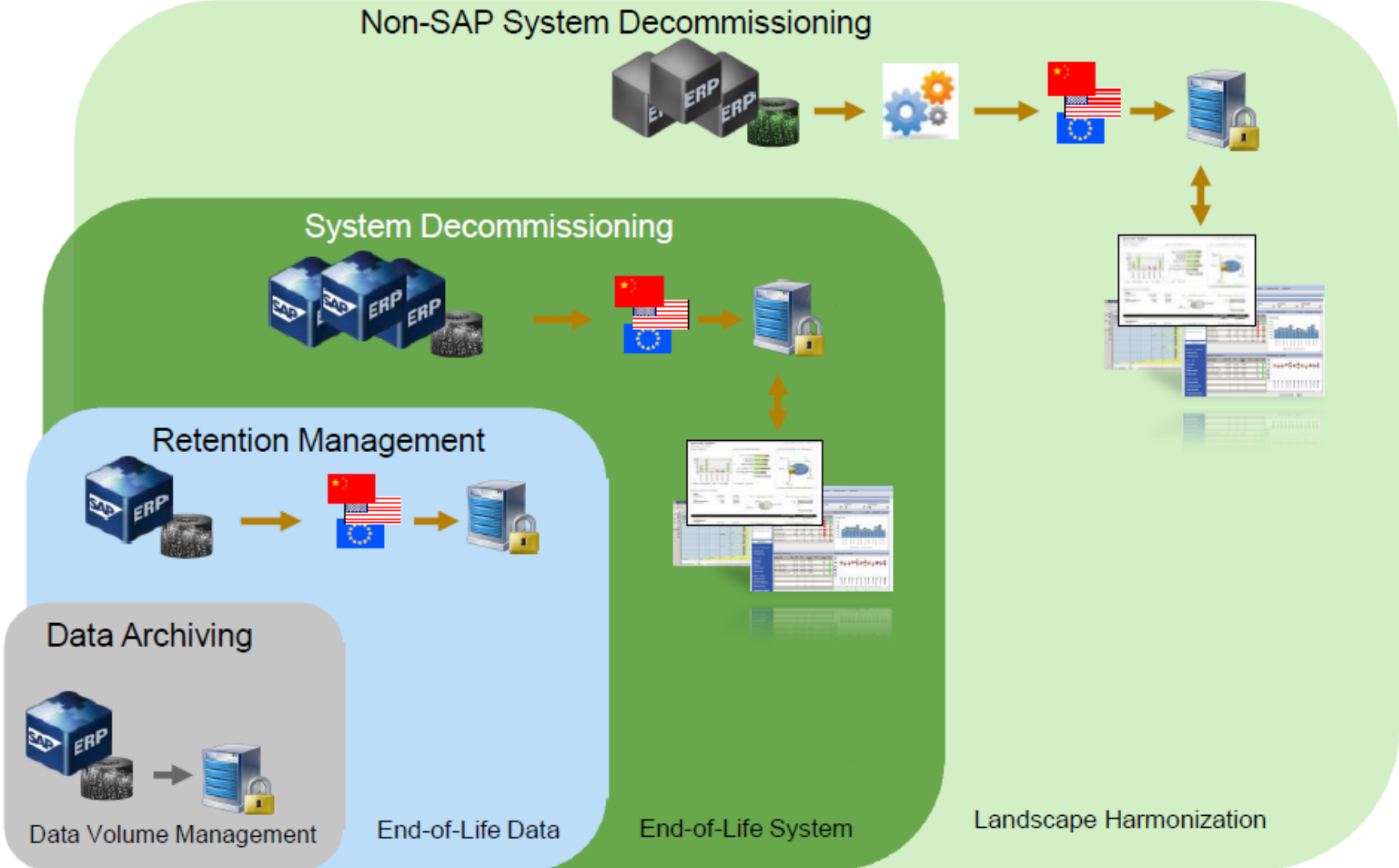
Stand-out statistics from 2018 ILM Focus Group Survey

- 43% not using SAP ILM but have a broad interest in ILM
- 29% currently delete from the archive, of which only 5% use ILM
- 2018 – on average spending 8 hours / week on archiving activity
- 38% planning the migration to S/4HANA in 1-3 years
- 58% – there are either no plans in place to Migrate to S/4HANA or there is 'no information'



2018

From Data Archiving to ILM to Decommissioning



Source - SAP

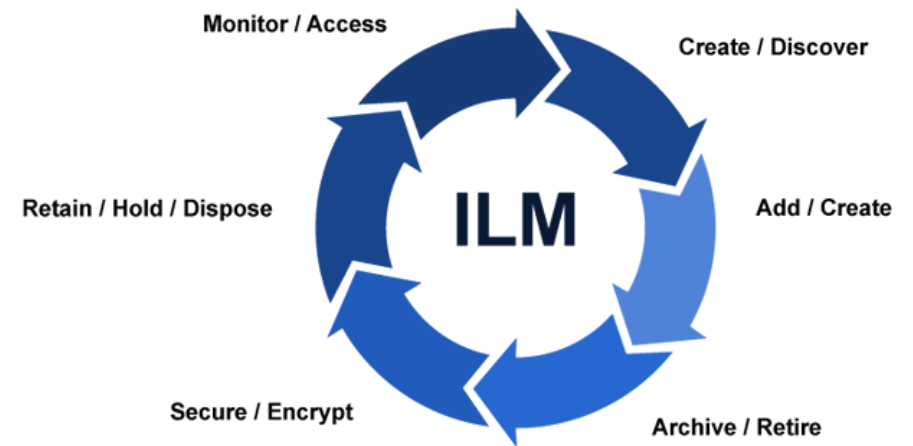
The Effect of GDPR on the Management of Personal Data in Sweden

The EU's GDPR (General Data Protection Regulation) superseded the Swedish PuL (Personuppgiftslag; Personal Data Act) and Personuppgiftsförordning (Personal Data Ordinance) on 25 May 2018.

The Six Data Processing Principles

Personal data must be:

- Processed lawfully, fairly and transparently.
- Collected only for specific legitimate purposes.
- Adequate, relevant and limited to what is necessary.
- Accurate and, where necessary, kept up to date.
- **Stored only as long as is necessary.**
- **Processed in a manner that ensures appropriate security.**



Information Management Challenges



Large and complex system landscapes

Inefficient paper-based processes



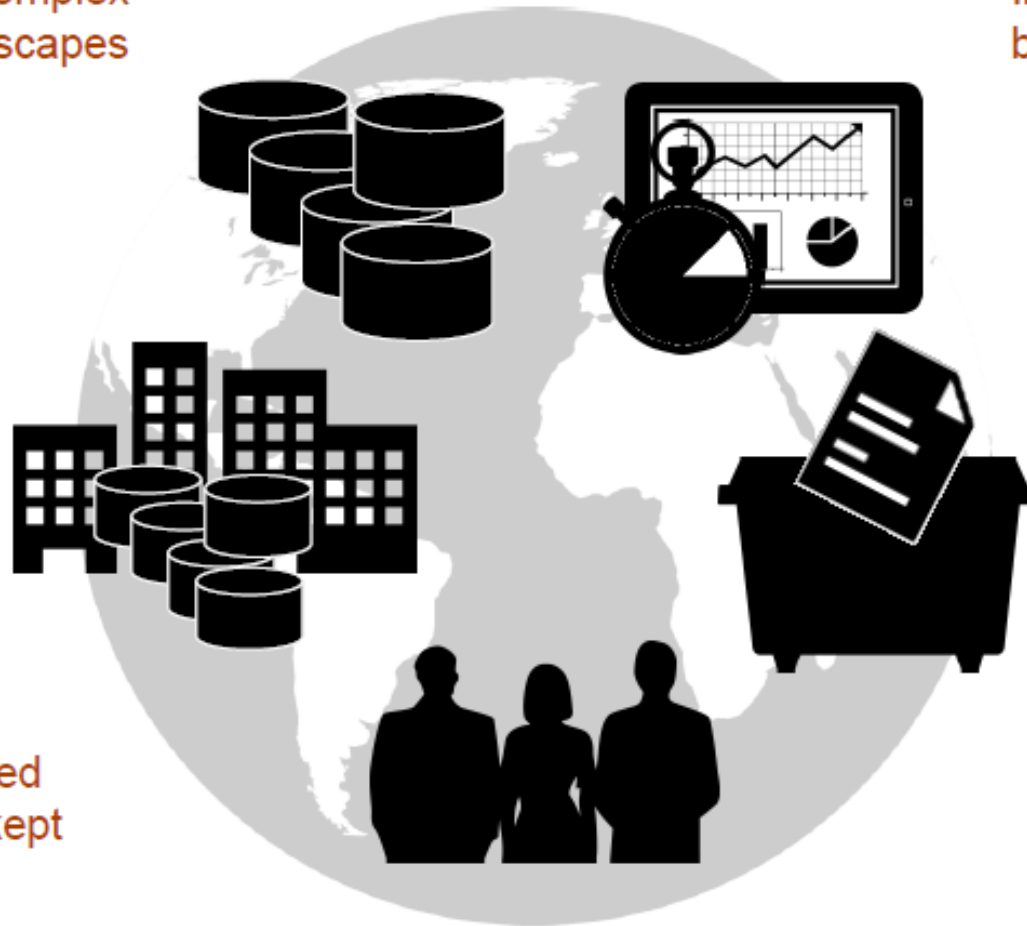
Data volume growing exponentially

Content fragmented across applications and systems

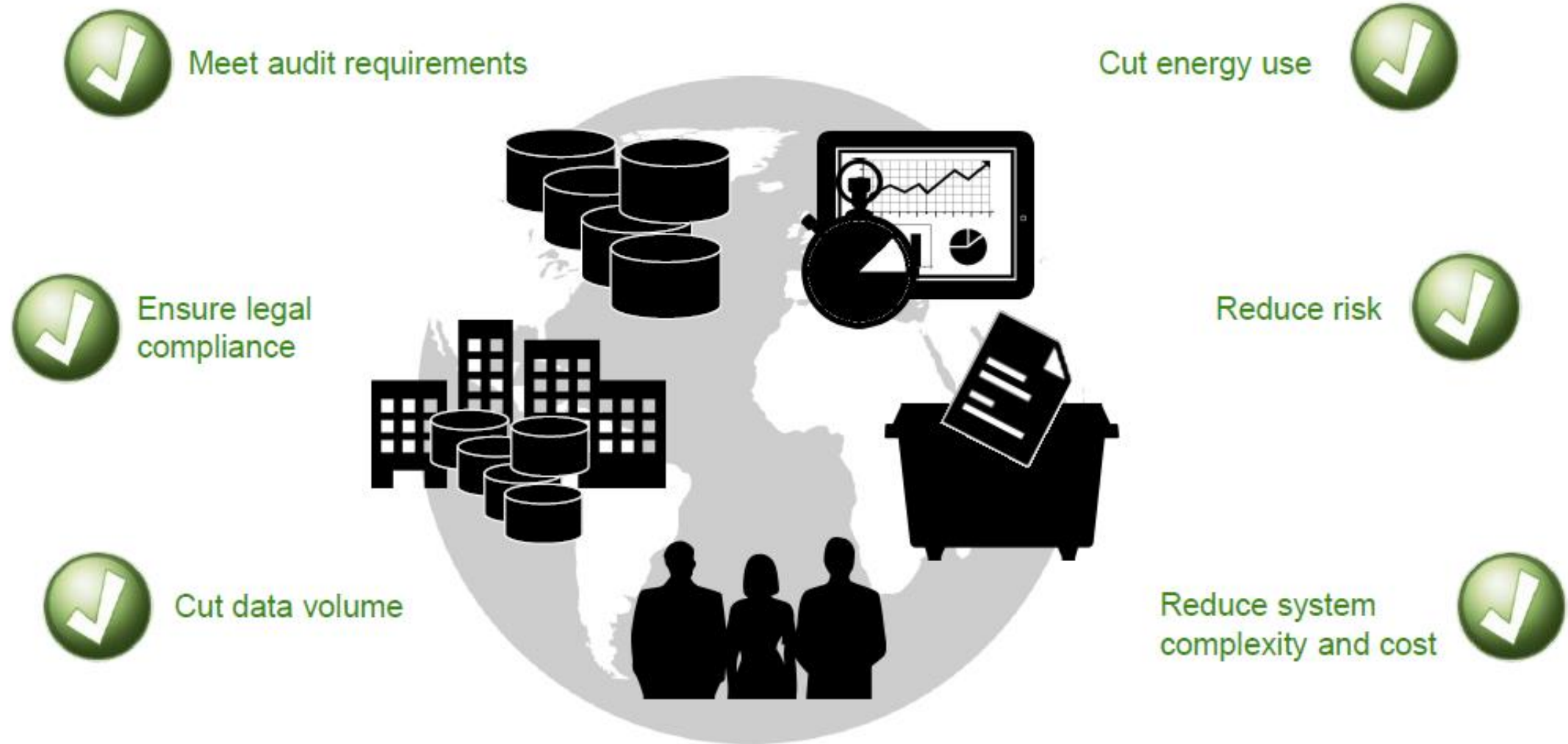


Content not retained for legally required duration, or kept too long

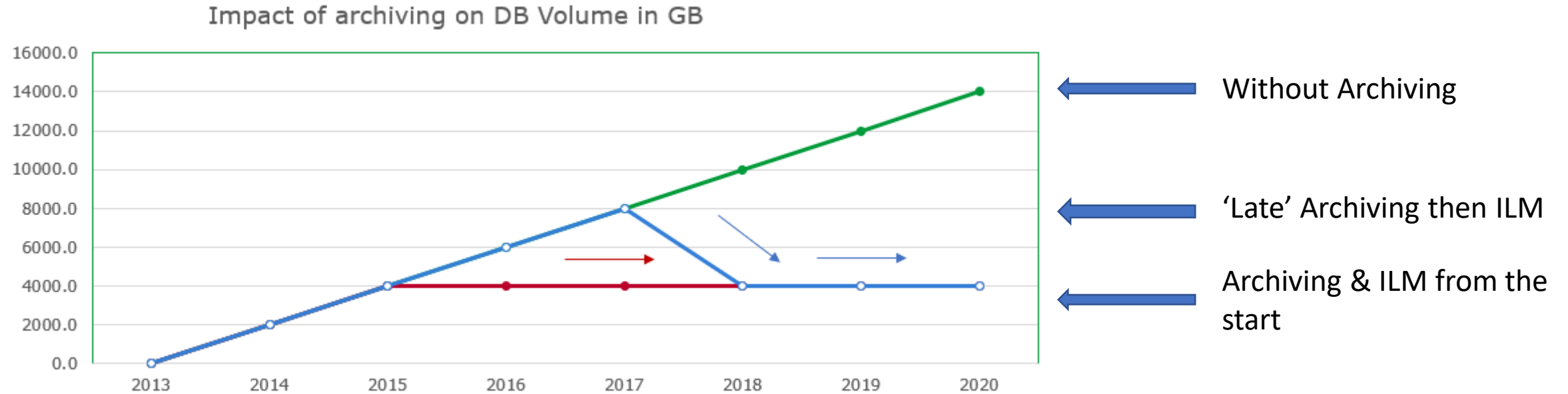
Increased regulation requiring auditable content lifecycle records



The Benefits of a Robust ILM Solution

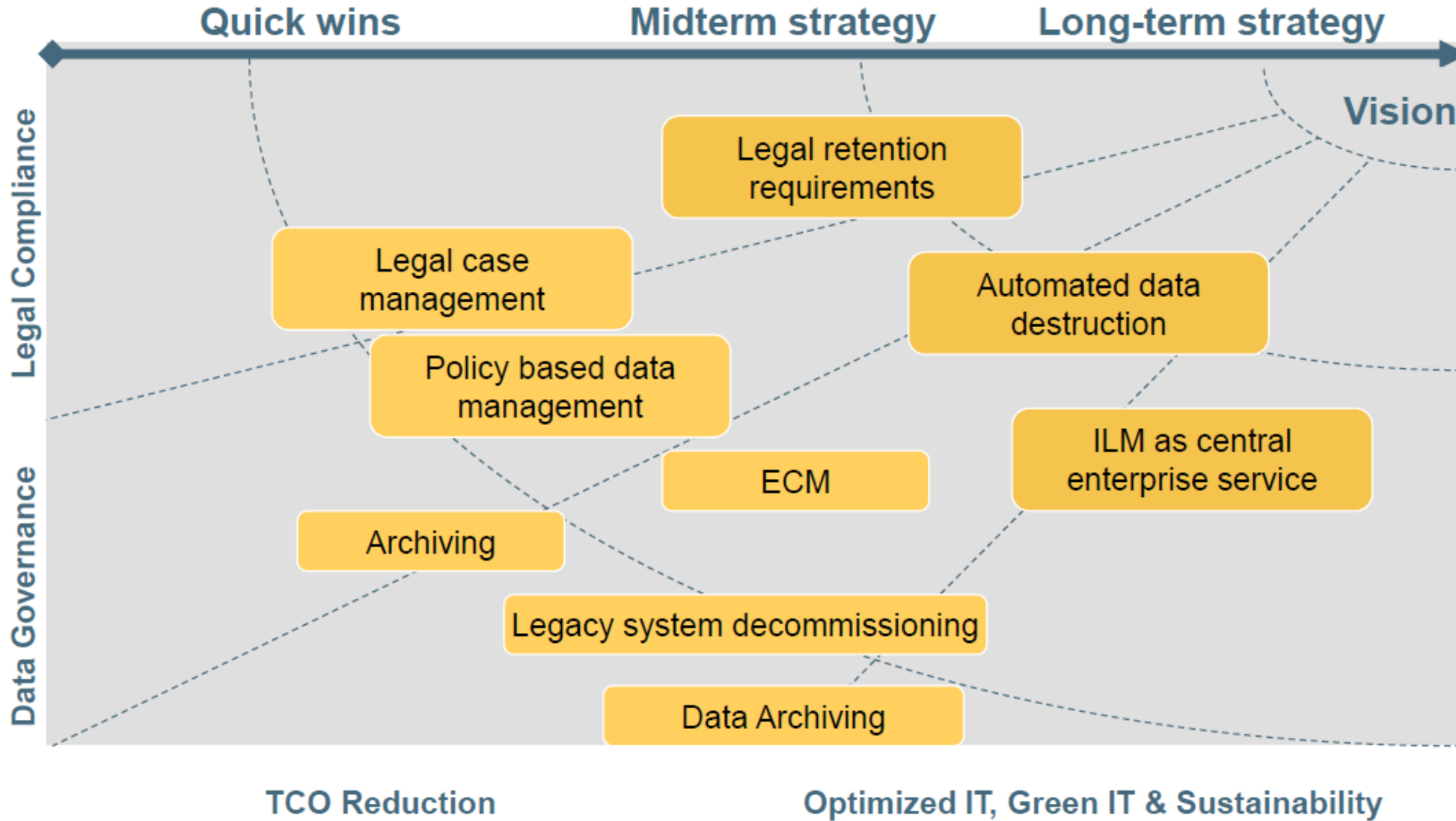


Reduce Initial Data Volume & Control Data Volume Growth



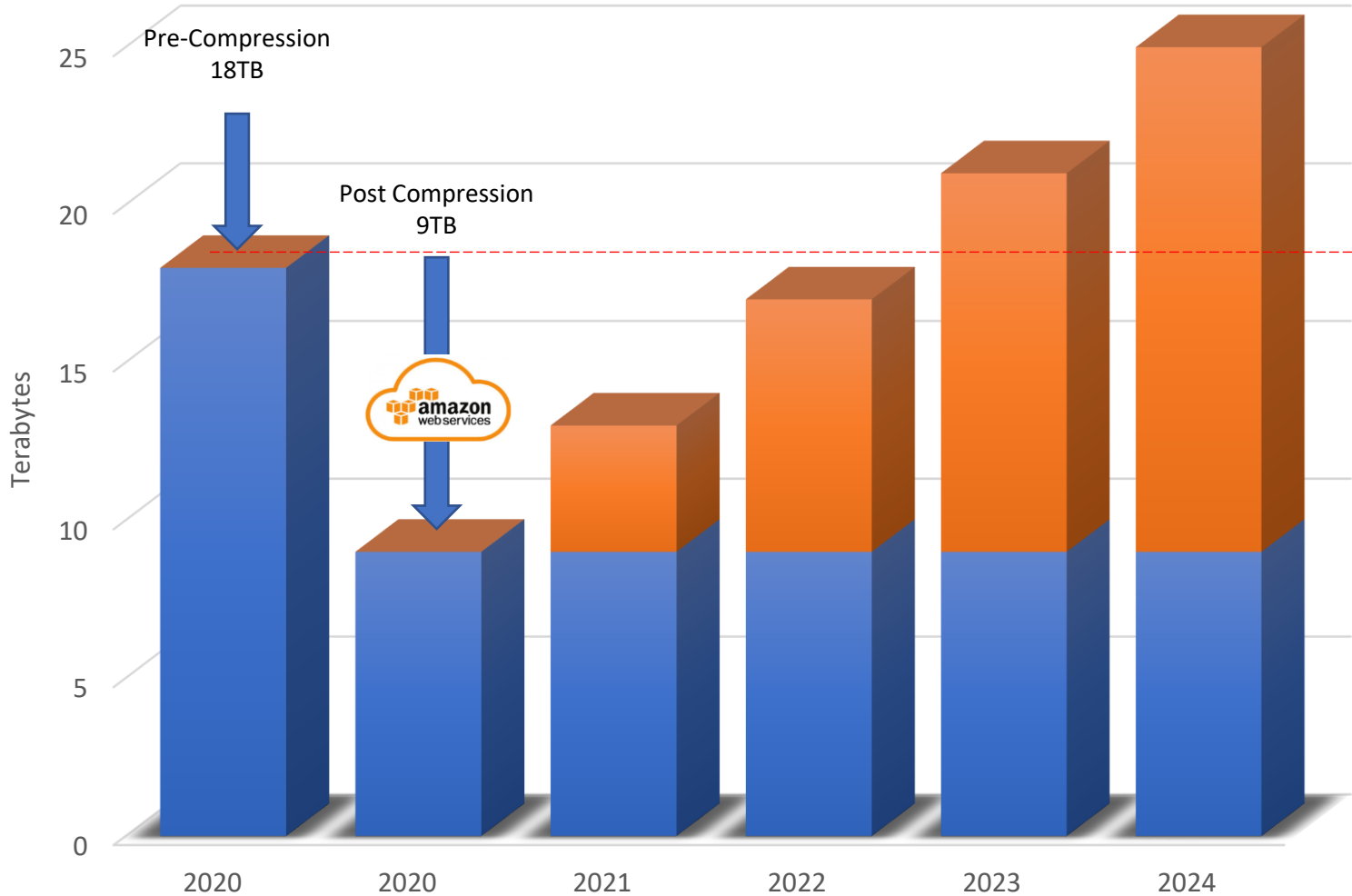
- Data Archiving alone - significant reduction in current data volume and annual data growth
- ILM from the outset - stabilization of data volume and no need for extra memory before archiving

Ongoing Strategy



The Effect of Doing Nothing

Data Growth with No Archiving



Note:
XXXX recognised a **65%** increase in operational performance after the initial data compression from 18TB down to 9TB in 2020/21

Back above 18TB

Note:
4TB / year growth is a **conservative** estimate. We estimate that this could be **10% higher** in reality

The Importance of Choosing the Right Residence Period

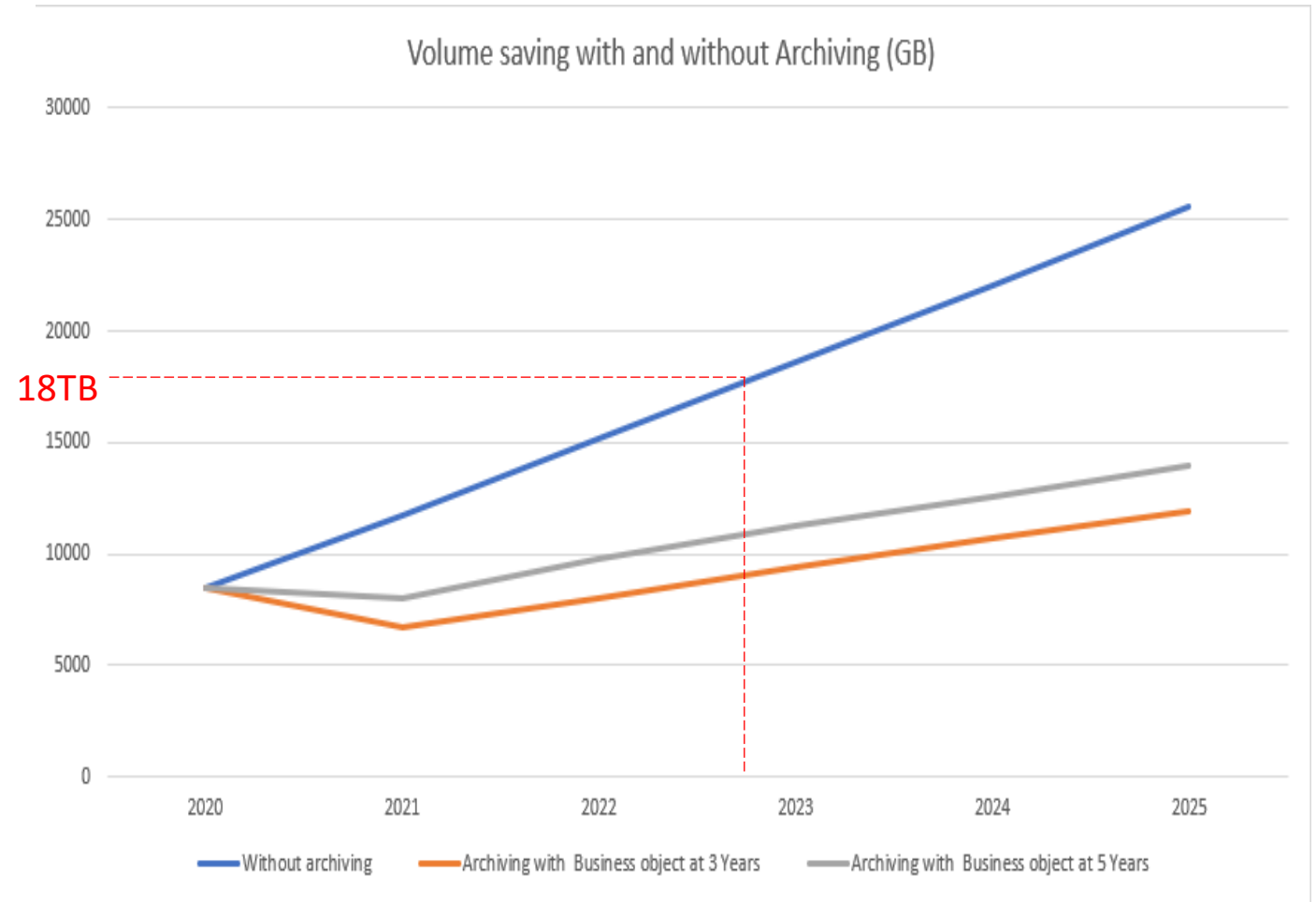
TJC proposes an archiving solution to reduce these volumes.

The graph shows projected growth:

- Without archiving
- Archiving up to 3 years
- Archiving up to 5 years

All options assume 3 months archiving for technical objects with only residence periods for business objects changing.

The following slide shows clearly the impact of doing no archiving at all.



Most Common FAQs

1. What is the difference between Data Volume Management (DVM) and Information Lifecycle Management (ILM)?
2. How does SAP define ILM?
3. Our company has been archiving for years. Do we have to replace data archiving with ILM now?
4. Can deletion and destruction of data be used interchangeably?



Summary – Objectives, Solution & Benefits

Summary

- ILM fulfils the requirement for data retention, data destruction and compliance with legal and regulatory mandates

Objectives

- Manage the surge in legal requirements regarding the handling of data
- Improve traditional data management techniques that no longer meet enterprise needs
- Cover complex country and industry-specific compliance laws that cover more data types and mandate longer retention periods
- Optimize large and complex system landscapes that pose compliance risks and decrease overhead of unnecessary running costs

Solution

- Policy governance for legal compliance
- Automated data archiving, migration, and destruction of data based on strict business rules
- Complete information lifecycle management, from creation to destruction

Benefits

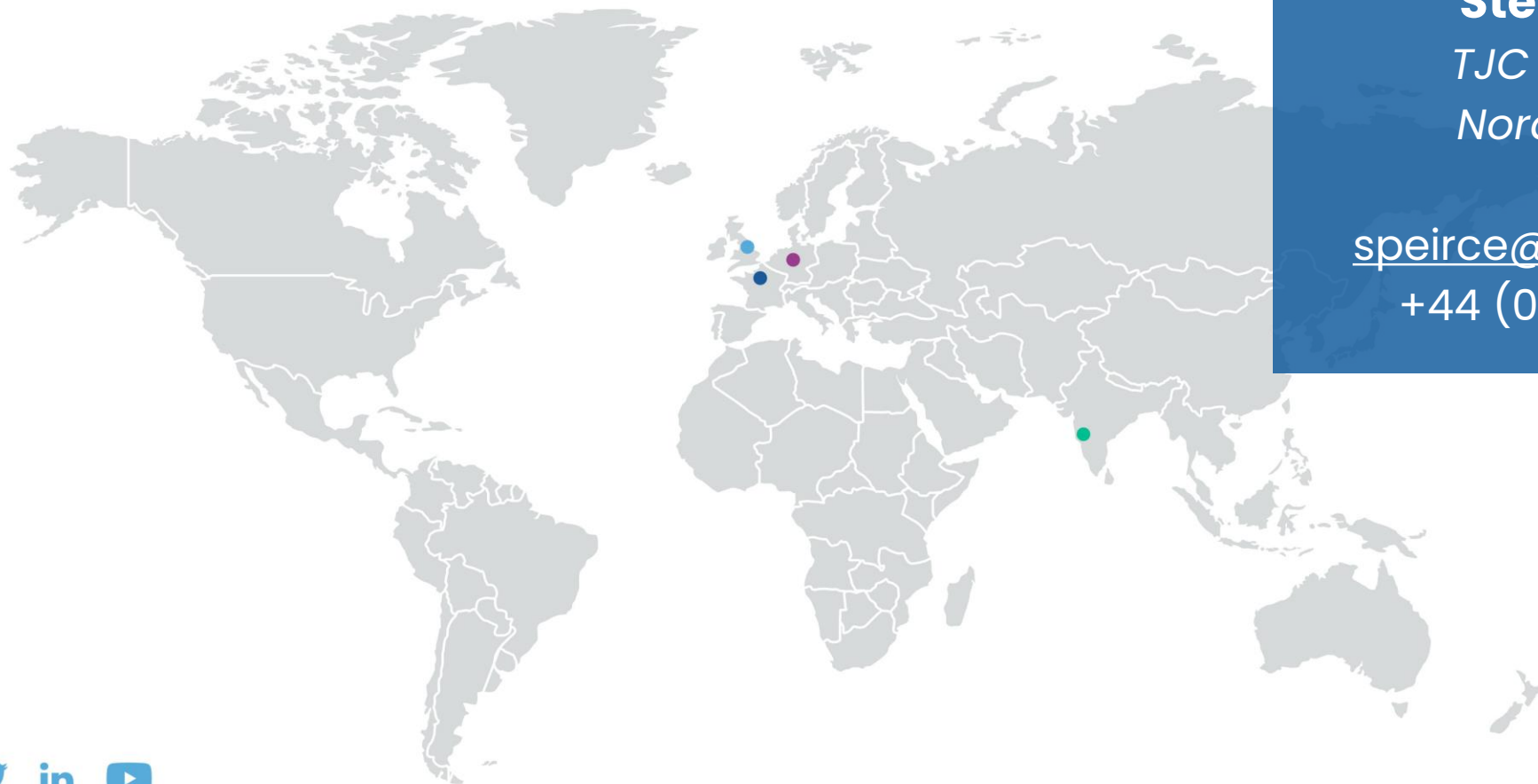
- Cut hardware, licencing and administrative costs – reduces overall TCO
- Comply with legal requirements and service level agreements with data storage systems using defined rules
- Reduces the scope, complexity and total cost of your migration to SAP S/4HANA

Q&A





BECAUSE YOUR DATA MATTERS



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