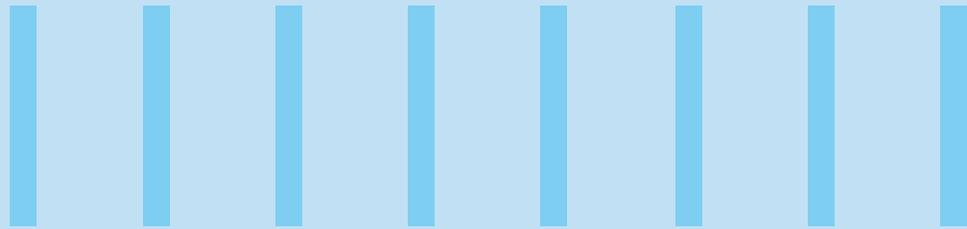




GETTING YOUR DATA READY FOR SAP S/4HANA



Global research firm IDC said that over 59 zettabytes of data would be created, captured, copied, and consumed in 2020. Furthermore, the amount of data produced over the next three years will be greater than the data produced in the past 30 years¹. Not surprisingly, industry experts and practitioners alike agree that data is the currency of the future.

Acknowledging the value of data, enterprises have learned to manage the terabytes generated regularly effectively. They have evolved to sift the data and only extract relevant data because they realize that accurate data can improve planning and optimize business processes. However, to make this happen, they must have an effective data management strategy that harnesses data from all sources, organizes and makes it available for smooth business operations.

According to a Forrester Research report*, enterprises have traditionally under-invested in data management and are taking steps to rectify that. For instance, the role of a Chief Data Officer (CDO) who reports to the CEO is becoming more common, with 63% of firms interviewed for the study having a CDO. The study also showed that more firms are working hard to get their data strategy right.

Therefore, enterprises must keep pace with the fast-evolving trends and technologies in the data management space. It is fast becoming a matter of survival.

Some key trends include²–

- A revival of data governance programs, including master data management initiatives to provide curated high-quality, trusted data.**

A reliable way for enterprises to address these trends is by migrating to the cloud. However, data migration is by no means a simple task for many reasons. Consider the case of an enterprise application like SAP S/4HANA, an intelligent ERP system. The world of SAP S/4HANA is typically complex as it hosts various processes and data and utilizes advanced technologies to boost business performance. As enterprises plan their shift to SAP S/4HANA, they need to plan for data migration. This means zeroing down on the right methodologies, tools and technologies. Figure 1 indicates the choices to make and thereby the expertise demanded in maneuvering through the technology landscape.

Which of the following are the most important components of your organization's plans for data, data management, data science, and analytics in the next 12 months?

Source: Forrester Analytics Business Technographics Data And Analytics Survey, 2021
Base: 3307 Data and analytics decision-makers

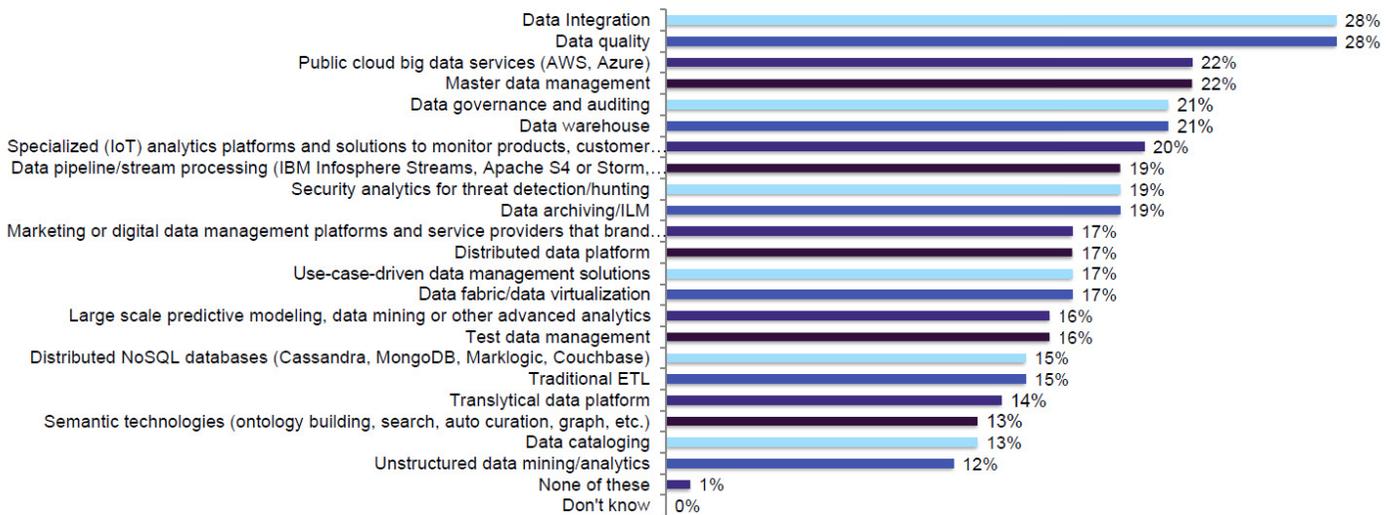


Figure 1 Key data management technologies

In a nutshell, data preparation and migration are critical for success and require a deep understanding before investing.

With its long and extensive experience helping enterprises transition to SAP S/4HANA, Infosys organized a roundtable to discuss this critical topic. A well-rounded panel comprising data leaders across industries, an SAP executive and a Forrester analyst, shared their experiences in managing data efficiently.

This paper presents the key learnings, and best practices gleaned from the enlightening discussion.

Seven best practices for data migration

1. Go with the approach that works best for your situation. Sometimes, it is unnecessary to perform a massive rejig of the data during an ERP modernization exercise as a large American CPG company with many household brands discovered. As the company transitioned from SAP ECC to SAP S/4HANA, they realized a selective [shell copy approach](#) would work best for their purpose as they had to migrate only their domestic business to SAP S/4HANA. According to SAP, selective data transition covers the migration of relevant business data from SAP ERP to SAP S/4HANA®. It allows an enterprise to choose between system conversion and new implementation with the flexibility to adapt data and processes in one step. The approach allows combining redesign of business processes with retaining historical data aligned to a new business reality.

2. Analyze the proposed data models in SAP S/4HANA extensively and early – Enterprises manage significantly large volumes of data as they process information from multiple stakeholders. Given that data is a strategic asset for business operations, it is vital to foresee the impact of data quality and volume before migration. Cleansing the data before moving it to SAP S/4HANA is highly recommended to make available the right and better-quality data. For example, an American water management agency that moved to SAP S/4HANA managed over 30 processes across 70 roles and over 600 GB of data. The company performed a large-scale analysis to identify the data to be moved to SAP S/4HANA, which had to be cleansed. Despite the tremendous effort involved, the company cleansed the data to avoid feeding “garbage” data into the SAP S/4HANA system. Another area that comes into focus is server sizing which can be determined through a data sizing exercise. Experience shows that it is better to over-size the server to take care of future needs.

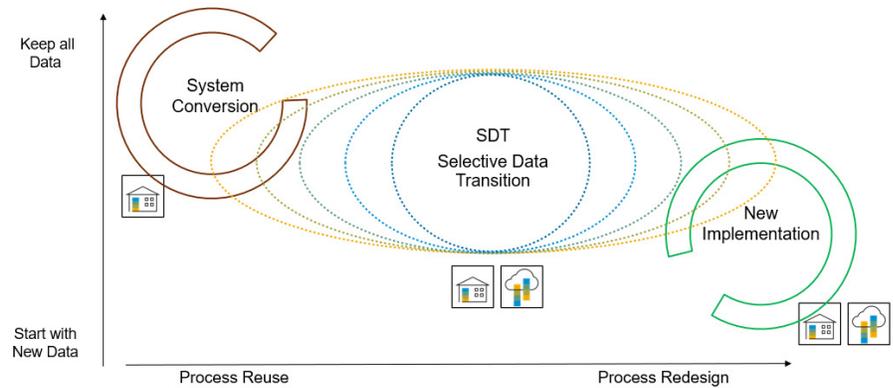


Figure 2 Selective data transition

3. Don't ignore change management

– Enterprise data is universal and impacts all business groups in a company. At the start, it is essential to educate business users on the changes and the operational impact to gain their support. At the water management company, business users were encouraged to get firsthand with the new system even before it went live. Those business units which were skeptical about the change were won over with this approach. In addition, every process change will impact data and must be considered. For instance, the company convinced its business users to shorten the archival duration and simplify data management.

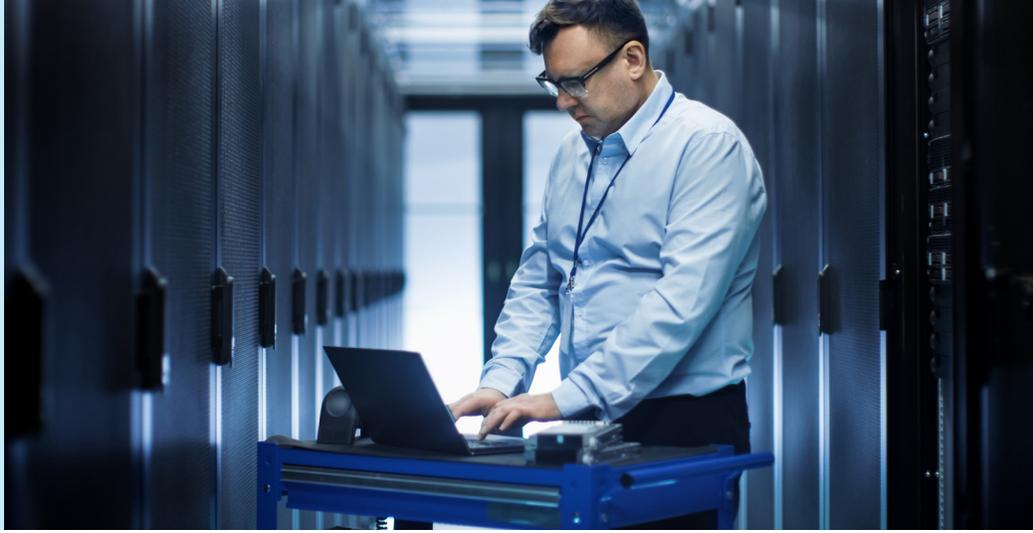
4. Test the data extensively – An often overlooked aspect, testing can weed out potential hiccups and smoothen the transition. For the US water management agency, insufficient testing and the absence of a comprehensive data testing strategy led to several issues during the migration to SAP S/4HANA. Ensuring comprehensive testing by the impacted business units will go a long way in eliminating hassles after go-live.

5. Adopt a KPI-centric approach to data migration – The India arm of a multinational tire manufacturer implemented SAP S/4HANA in 2018 and is focused on integrating SAP and non-SAP data to deliver customer-centric

insights. The company's formal data roadmap comprising a three-step approach to maintaining data quality is notable. First, they established processes and governance control at the data ingestion layer to ensure quality data enters the system. Second, they regularly perform de-duplication and cleansing of the data at rest. Third, they view the processed data from a completeness angle and examine it vis-à-vis KPIs and specific business outcomes to be achieved. In addition, the company recommends balancing using AI/ML technologies for data management and analytics with user maturity. Ultimately, the data must be in the right form and shape to be used by business users.

6. Giving data its due importance – A North American fertilizer company shared a key best practice. The company set up a data services organization as it implemented SAP S/4HANA. This organization was an integral part of the implementation process. It was valuable in helping understand how the data would be used, how it integrates with business processes and its purpose at a granular level. This group was also responsible for data governance councils, and their presence significantly ensured the quality of data was maintained and did not deteriorate after go-live.

The discussion emphasizes the criticality of enterprise data management to ensure a successful and effective transition to SAP S/4HANA. Enterprises undertaking this challenging journey must invest effort, time, and money to understand their context (data, processes) and tools and technologies available for data migration. More importantly, they must be clear on the business outcomes expected and align the data journey accordingly.



References

- 1 IDC's Global DataSphere Forecast Shows Continued Steady Growth in the Creation and Consumption of Data
 - 2 Excerpts from presentation made by Gene Leganza, Vice President and Research Director, Forrester Research
- *"Chief Data Officers: Evolve Your Teams To Accelerate Impact From Data Insights", Forrester, January 5, 2021
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