Transforming Data (SAP SLO Services)
Andy Dalton, United Utilities and Julian Brumby, SAP
SAP SLO Services

- Typical customer situations
- IT Transformations
- SLO software
- The SLO team
- Who, what, how and where
- SLO approach vs. Standard approach
- Selective migration to HANA
- Customers and additional information
United Utilities Experience

• United Utilities scale, world and journey with SAP
• The need to transform data
• Requirement and SLO
• Approach
• Actual versus plan
• Result
• Lessons learnt
• Q&A
SLO Services

- Julian Brumby, Solution Engagement Manager, Database & Technology Services

Typical Customer Situations

**As-is situation**

**Scenario**

**Mergers & Acquisitions**
Acquisition, joint venture

**Divestitures**
Business area will be organized as independent company, subsidiary is spun off, part of company will be sold

**Corporate restructuring**
Change organisational units in SAP landscape accordingly

**Business process optimisation**
Adapt processes in SAP system, unified accounting, master data cleansing

**Consolidate IT landscapes**
Merge systems, harmonise system landscape, provide cross-system functions, reduce TCO

**Vision**

SLO - IT Transformations

Drivers

- Strategic business transformation
- Value chain transformation
- IT landscape transformation

Transformation scenarios

Leverage Sell, Buy & Restructure
Buy or sell another company or carry out reorganizations?

Harmonize & Unify Data
Increase data quality and transparency and speed up closing procedures

Consolidate & Unite Landscape
Centralize or streamline system landscapes while decommission SAP and Non-SAP systems

Prepare for business innovation, HANA Migration
Move parts of your business or selected applications to Suite on HANA

Solution

SAP LT Software & SAP Data Services

DMS services

SLO - IT Transformations
SLO (LT) Software

<table>
<thead>
<tr>
<th>Engine: basic (mandatory)</th>
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<tbody>
<tr>
<td>Analyses &amp; Technology Platform</td>
</tr>
<tr>
<td>✓ SAP NetWeaver Analysis</td>
</tr>
<tr>
<td>✓ ECC Business Application Analysis</td>
</tr>
<tr>
<td>✓ Company Code Object Analysis</td>
</tr>
<tr>
<td>✓ Report Variant Analysis &amp; Coding Scan</td>
</tr>
<tr>
<td>✓ Repository &amp; Customizing Comparison</td>
</tr>
<tr>
<td>✓ Scenario-Specific Analyses</td>
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<table>
<thead>
<tr>
<th>Sell, Buy, and Restructure</th>
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<tbody>
<tr>
<td>Carve-Out:</td>
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<tr>
<td>✓ Company Codes</td>
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<tr>
<td>✓ Controlling Areas</td>
</tr>
<tr>
<td>✓ Profit Center</td>
</tr>
<tr>
<td>✓ Cost Center</td>
</tr>
<tr>
<td>Reorganize:</td>
</tr>
<tr>
<td>✓ Profit Centers</td>
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<tr>
<td>Merge:</td>
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<table>
<thead>
<tr>
<th>Unify and Transform Data</th>
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<tbody>
<tr>
<td>Convert:</td>
</tr>
<tr>
<td>✓ Chart of Accounts</td>
</tr>
<tr>
<td>✓ Cost Center</td>
</tr>
<tr>
<td>✓ Profit Center</td>
</tr>
<tr>
<td>✓ Fiscal Year</td>
</tr>
<tr>
<td>✓ Asset Classes</td>
</tr>
<tr>
<td>✓ Asset Account Determination</td>
</tr>
<tr>
<td>✓ Customer Numbers</td>
</tr>
<tr>
<td>Rename:</td>
</tr>
<tr>
<td>✓ Controlling Areas</td>
</tr>
<tr>
<td>✓ Company Codes</td>
</tr>
<tr>
<td>✓ Material Numbers</td>
</tr>
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<table>
<thead>
<tr>
<th>Consolidate &amp; Reduce IT Cost</th>
</tr>
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<tbody>
<tr>
<td>Transfer:</td>
</tr>
<tr>
<td>✓ Set up Multiclient System Environment</td>
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</table>

Engine: organizational change

Engine: value chain harmonization

Engine: consolidation
The SAP SLO Team
A dedicated team integrating Consulting and Development

System Landscape Optimisation (SLO) group

SLO Consulting

SLO Development

SLO – an SAP expert group

Direct know-how transfer from and to other SAP departments

First-hand SAP knowledge

SLO support (services, technologies)

SLO expert knowledge and long-term experience
Who, what, how, where

Who we are

- System Landscape Optimization (SLO) Group
- Experts for IT transformation scenarios (Consolidation, Harmonization, Unification, Optimization)
- Thought Leaders for SAP Transformation Software and Services

What we do

- Business driven IT Transformation work
- Deliver >80% productised services to cover transformation requirements
- Realise customer-specific transformation requirements
- Delivery services around TDMS, ILM and SAP Landscape Transformation (SAP LT)

How we do it

- Over 20 years experience during planning, architecture, execution and support
- Lower the SAP TCO through best practices, standardized methodologies and technologies, and expert consulting

Where we are

- Over 280+ dedicated resources world-wide in over 20 cities
- Headquarters in Germany, Walldorf
- Development & Support in Germany and India
- 3 Hub sites in APJ: Singapore, Sydney, Tokyo
<table>
<thead>
<tr>
<th><strong>SLO approach</strong></th>
<th><strong>Standard approaches</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>High</strong></td>
<td><strong>Low</strong></td>
</tr>
<tr>
<td>- Transfer of complete and open processes</td>
<td>- Not possible</td>
</tr>
<tr>
<td>- Preservation of all historical data</td>
<td>- Limited</td>
</tr>
<tr>
<td>- Continuation of document flow</td>
<td>- Destruction of document flow</td>
</tr>
<tr>
<td>- Data continuity and consistency</td>
<td>- Data access only via old structure</td>
</tr>
<tr>
<td>- Saving time and money by operating on database level</td>
<td></td>
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</tbody>
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Migration to SAP HANA
Corporate restructuring & business process optimization

Scenario

Use cases

- Carve out a business unit, subsidiary or single applications
- Migrate data to a new process template
- Merging distributed applications into an integrated scenario
- Split systems or organizational units and migrate partially to a HANA based system

Customer reference

**John Deere**

Headquarters: Moline, Illinois (US)
Industry: Automotive
Core businesses: Agricultural, construction, forestry, consumer, and commercial equipment

**Project objectives**

- Increase performance of PDM and cProjects functionalities
- Selectively carve-out global PDM and cProjects data to new, HANA based system
- Provide one PDM solution to all design centers and factories globally

**Benefits**

- Selective data migration approach allowed to carve-out just the desired data
- Combined approach for upgrade and OS/DB migration allowed short project realization within only 8 months
- Real-time access to all product development programs globally
- Approx. 70% efficiency gain in task management
System Landscape Optimisation
Project excellence and successes

... and many more
SAP Service Marketplace

http://service.sap.com/slo

General enquiries
Send an e-mail to slo.consulting@SAP.com

Conditions and prices
Contact UKI SLO Engagement Manager – Julian Brumby (Julian.brumby@sap.com)
United Utilities Experience

November 2014
World of United Utilities

- Andy Dalton, SAP CoE Technical Services Manager
- [http://www.unitedutilities.com](http://www.unitedutilities.com)
- Email andy.dalton@uuplc.co.uk
Our Scale

- 1,400 km of aqueducts
- 57,000 hectares of catchment land (equivalent of 70,000 football pitches)
- 5,000 skilled employees

United Utilities

- Reservoirs: store and collect water. Most are in the United Kingdom and Ireland, but the water goes all over the North West.
- 184 reservoirs
- Integrated water network capable of transporting water to where it's needed most. We have 42,000 km of water mains, enough to wrap around the world.
- 575 wastewater treatment works
- Wastewater is transported through this network to our wastewater treatment works and disposed of in the rivers and seas.
- 72,000 km of sewers (equivalent of flying from Manchester to Sydney)

What's a catchment area? It's land that catches water. It's the area immediately surrounding our reservoirs and lakes. Water runs off that land into our reservoirs. Simple.

7 million customers every day...
Our journey with SAP

- Formation of United Utilities Group
- Creation of Vertex
- Sale of Norweb Energy
- Acquisition of Hyder Industrial (Forming United Utilities Utility Solutions)
- 15% stake in Northern Gas Networks
- Contract to operate the Northern Gas Network
- Acquisition of Marlborough Sterling by Vertex
- Sale of electricity distribution to Electricity Northwest
- Sale of the telecoms business, Thus
- Sale of the BPO business, Vertex Companies
- Divestment of Northern Gas Networks holding
- Completion of non-regulated businesses, Utility Solutions companies / international

- North West Water Group
- Internal: SAP Business Support
- SAP I.T. Support Team
- Internal: Merged SAP Application Support
- Internal: Merged SAP Application Support
- SAP R/2 ERP
- SAP R/2 for NWW & Vertex
- SAP R/2 for Norweb companies
- SAP R/3 ERP replacing SAP R/2
- SAP BW (Supply Chain)
- SAP SolMan
- Upgrade to SAP ERP (ECC5)
- SAP BW for WFM (Business Warehouse)
- SAP CRM (Customer Relationship Mgmt)
- SAP PI (Process Integration)
- SAP MI (Mobile Infrastructure)
- SAP EP (Enterprise Portal)
- IBM-TAM (Access Mgmt)
- IBM-CM (Content Mgmt)
- Click (Scheduling)
- eRespond (Event Mgmt)
- SAP SRM (Supplier Relationship Mgmt)
- SAP BI (Support Processes) and SPM
- SAP GRC (Governance Risk Control)
- SAP Learning Solution
- SAP Nakisa (Talent Mgmt / Org. Visualisation)
- OpenText (OCR Scanning, employee file mgmt)
- OpenText (Invoice Scanning)
- SAP BPC (Finance Consolidation)
The need to transform data

- One regulated company – Two SAP company codes
- Remaining operating companies
  - General ledger codes and associated structures
  - Cost centre codes and associated structures
  - Plant code configuration
- Multi-service and system landscape relying on finance master data

Data maintenance overhead for United Utilities and our service providers
Configuration data - master data – transactional data – reporting data - user roles
Poor/incorrect data and longer processing time across United Utilities, our service providers and systems
The need to transform data

More timely, more controlled financial close and business plan processes
More robust financial data, consistent data structures and control of master data
More time on value-add analysis of the numbers

**Financial accounting**
- One common chart of accounts – simplified and controlled – reducing from 8300 account codes currently to 700 and consistent across all modules
- Reduction in manual journals – through better use of SAP functionality to increase automation
- Simplified inter-company process – more automated postings and settlement

**Management accounting**
- Rationalisation of cost centre structure – reducing from 9000+ to around 3000, simplifying reporting
- Alignment of HR org units and Finance cost centres – for consistent information
- Improved use of existing functionality – to enable more efficient month end process

**Fixed assets**
- Improved structural changes and reporting functionality – to greatly reduce the need for excel spreadsheets for regulatory reporting
- Rationalisation of asset classes – enabling improved and simplified reporting
- Parallel Fixed Asset Registers – supporting regulatory reporting
- Capability to better align financial and non-financial asset data

**Consolidation**
- SAP Business Planning & Consolidation (BPC) will replace Cognos
- One database for statutory and management reporting – integrated with source systems
- Improved transparency – ability to drill down to source system
- Reduced reliance on offline spreadsheets

**Business planning**
- One database for LBEs, budgets and plans – consolidated on BPC (replacing Cognos)
- Enforces controlled business plan process flow – validation and submission control routines

**Other**
- GRC – improved access and process controls
- Banking – rationalisation of bank accounts and use of electronic bank statement functionality
- Debtors – improved processes for non-Auto debtors
- Reporting – improved reporting tools reducing reliance on offline spreadsheets
Data Maintenance

1. Merge two company codes
2. New chart of account, structure and codes
3. New cost centre structure and codes
4. New profit centre codes
5. Consolidate to single plant per company code
6. Create new controlling area (to separate from non operating companies)

SAP Programme Pre-requisites

1. No mix of old and new data
2. Data changes within a short period immediately prior to programme delivery
3. Quality assurance of service offering

Requirement & SLO

SLO Services

1. Best fit for requirements
2. Comparison: Cost of service vs. cost of traditional data migration to business and IT during a transition traditionally over longer periods
3. Project costs increases on the SAP Programme with the extended SAP estate retro mapping older data
4. Create new controlling area (to separate from non operating companies)
**Approach**

**OUTSET**

*Understand the SLO service and tool*

*It’s not just about SAP systems and data*

*It’s enterprise wide and service provider systems*

*It’s multiple data entities, interfaces, user roles, transient files*

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**WS1 Data Management**
- Centralise/control finance master data maintenance
- Data mapping
- Associated profit centres
- Communication and engagement

**WS2 Core ECC (SLO)**
- SLO toolset
- SLO cycles, validation, rule changes

**WS3 Core ECC (Non SLO)**
- System analysis; z-tables, z-programs, transient data
- Code and table changes
- User role changes
- Variants (selection/Display), SAP Schedule and associated Schedule System
- Documentation

**WS4 Other SAP Systems**
- System analysis
- Data load strategies
- Code and table changes

**WS5 Interfacing Services / Systems (I.T. Supported)**
- System analysis
- Data load strategies
- Code and table changes
- Interface process changes; TWS Workload Scheduler, mapping
- Engagement with service providers (eg Car Lease, Pensions)

**WS6 Interfacing Services / Systems (Non I.T. Supported)**
- Business function awareness
- Transaction and 3rd party software analysis identifying possible uploads/downloads
- Engagement with service providers (eg Car Lease, Pensions)
Plan (To be updated)

**High Level Timeline - overall summarised view of phased 'drops'. Modelled with SLO and BPC to go live in 2013**

*Updated 02/05/12 - updated from detailed Realisation planning.*

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<td>May</td>
<td>June</td>
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<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Week commencing</td>
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<td>33</td>
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<tr>
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<tr>
<td>SLO Preparaton</td>
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<td>SLO Mapping/Structures etc</td>
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<td>SLO Test Cycle 0</td>
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<td>C1 Prep</td>
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<td>SLO Test Cycle 1</td>
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<td>Review areas not converted by SLO</td>
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<td>Data Validation</td>
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<td>P-PPRD</td>
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<td>Week commencing</td>
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<td>BAU PROD</td>
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Actual versus plan

1. Move controlling area separation into separate weekend delivery to reduce system downtime during main programme cutover
2. (To be updated)
Result (To be updated)

- **SAP Programme**: Other projects able to deliver
  - No project retrofit data
  - Business impact

- **GL Codes**: Pre no. changes
  - Post no. changes
  - Business impact

- **Cost Centres**: Pre no. changes
  - Post no. changes
  - Business impact
Key Lessons Learnt

SAP Recommends:
1. Complete SLO activities separate from other changes
2. Change freeze on major data changes
3. SLO test systems should be similar to the production system for estimation of cutover

United Utilities Recommends:
1. Ensure business engagement and communication to identify all impacted services and systems
2. Ensure subject matter experts are part of the project (it’s about the data)
3. Ensure all teams collaborate to assess IT impact and leverage knowledge
4. Transaction TAANA
Questions?