SAP Solution in Detail
SAP Services
System Landscape Optimization

KEEPING YOUR SAP® SYSTEM LANDSCAPE SIMPLE AND UP-TO-DATE

Companies facing mergers, acquisitions, divestitures, or internal reorganizations need innovative business solutions to help them align organizational structures and processes within their system landscapes. The System Landscape Optimization group from SAP® Consulting offers transformation services to help you align your SAP solutions to your needs.

THE BEST-RUN BUSINESSES RUN SAP™

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Evolving business needs and changes to organizational structures – due to mergers, acquisitions, spin-offs, or reorganizations – require companies to adapt their system landscapes. The System Landscape Optimization group's transformation services help you align your SAP® solutions to your needs. You can not only harmonize data and optimize processes, but you can also consolidate and centralize disparate IT solutions. The result: lower costs and reliable, accurate data for continued business success.

The System Landscape Optimization group from SAP Consulting has a long history of success. During more than 18 years, its experts have performed thousands of landscape transformation services. With its comprehensive service suite, the group offers an integral approach that encompasses all possible change scenarios, SAP solutions, releases, and industries.

Moreover, you can tailor the group's services specifically to meet your individual requirements, no matter how complex your transformation needs.

> "The System Landscape Optimization group has exceeded the expectations of Ajinomoto. And the partnership with SAP provides valuable support and flexibility in project implementation and daily operations."
>
> **Alexandre Telles,** Systems Manager, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.

To help you successfully realize your transformation scenario, the group's experts guide you through every phase of the transformation project – from selecting the best approach, setting up a project plan, and implementing a blueprint to helping you design your system landscape in a structured way.

For recurring, less complex transformation needs, you can also use the standard SAP Landscape Transformation software, which offers a highly standardized set of transformation solutions for the SAP ERP application and enables companies to plan, analyze, sequence, and realize projects on their own.

Key Service Areas That Meet Your Business Needs

The group's service suite is designed to enable and support adaptation during the lifecycle of all SAP solutions and is grouped into three categories:

- **Leverage scenarios for buy, sell, and restructure** – Services to help align organizational structures and processes at the system level after corporate restructuring
- **Harmonize and unify data** – Services to help ensure alignment with industry best practices and IT strategies that require data harmonization and process optimization
- **Consolidate and unify the landscape** – Services to help reduce IT complexity, operation costs, and system administration

Figure 1 illustrates the portfolio of services that are encompassed in the three categories.

Leverage scenarios for buy, sell, and restructure	Realize mergers and acquisitions	Reorganize business units			
Harmonize and unify data	Unification for financials and controlling in SAP® ERP	Unification for logistics and operations in SAP ERP	Convert currencies		
Consolidate and unify landscape	Manage SAP System Landscape Consolidation and Harmonization	Optimize SAP ERP Human Capital Management	Implement SAP Test Data Migration Server	Integrate SAP System Landscape Archiving Consulting	Implement SAP NetWeaver® Information Lifecycle Management

Figure 1: System Landscape Optimization Group's Service Portfolio

Leverage Scenarios for Buy, Sell, and Restructure

Companies facing mergers, acquisitions, divestitures, or internal reorganizations need innovative business solutions to help them align organizational structures and processes within their system landscapes. The System Landscape Optimization group supports the realization of these scenarios by:

- Realizing the integration of new acquisitions into existing organizational structures and system landscapes
- Helping to merge several subdivisions within formerly disparate companies or organizational structures
- Reducing administrative costs and utilizing the competitive synergies generated through mergers and acquisitions
- Realizing the divestiture of parts of a company on the system level

The example of reorganizational-driven structural changes to an SAP system landscape in Figure 2 shows the wide application range of the group's services. The **company-code split solution** allows you to realize strategic reorganization objectives – for example, the organization of a company as a legally independent unit within your group, triggered for example by legal requirements or tax reasons. The SAP service helps companies to identify the right split criteria. Proven conversion technologies help to ensure logical consistency and handle integration issues so that the document flow and subsequent processing of existing transactions are maintained.

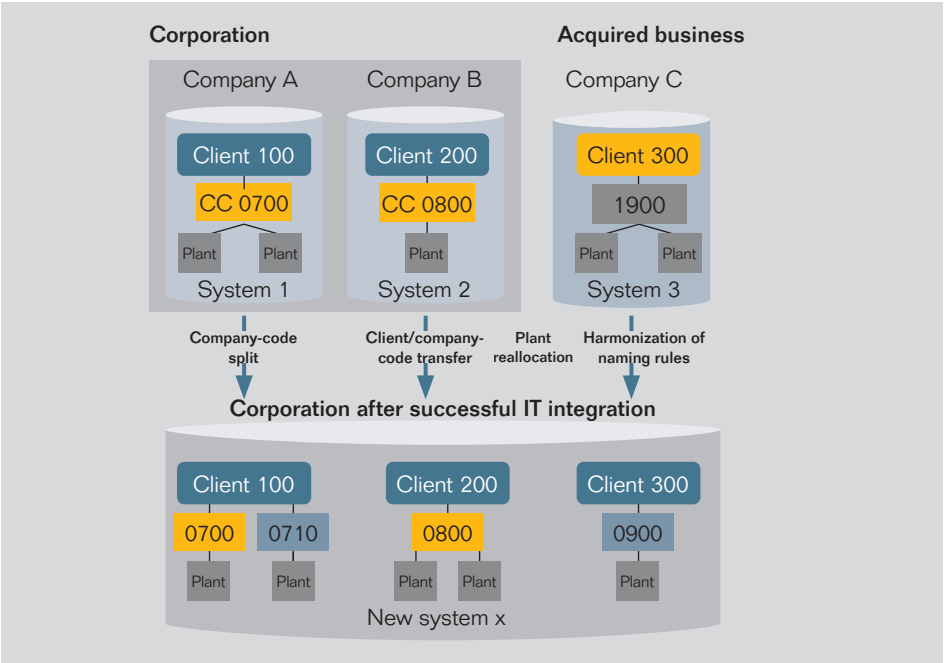

Figure 2: Exemplary M&A Scenario and Typical IT Transformation Requirements

> "The experiences I had with the project are unique. The project was so complex that there was initial doubt about its success. But when we chose the System Landscape Optimization group, we were successful due to its efficiency."
>
> Alexandre Telles, Systems Manager, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.
>
> Project: Merger of two companies with different company codes into the same SAP® software landscape

To streamline the company's business processes, you may need to **combine several transformation scenarios**, such as operating-concern merge, cost-center merge, and company-code merge. By using the System Landscape Optimization group's services, you can accomplish all this within one system downtime and without interrupting your day-to-day business.

Companies facing M&A scenarios strive to exploit acquisition-related synergies. Therefore, you may plan to merge several subdivisions from formerly separate companies to cut administrative costs and enhance competitiveness. For this purpose, the group offers a

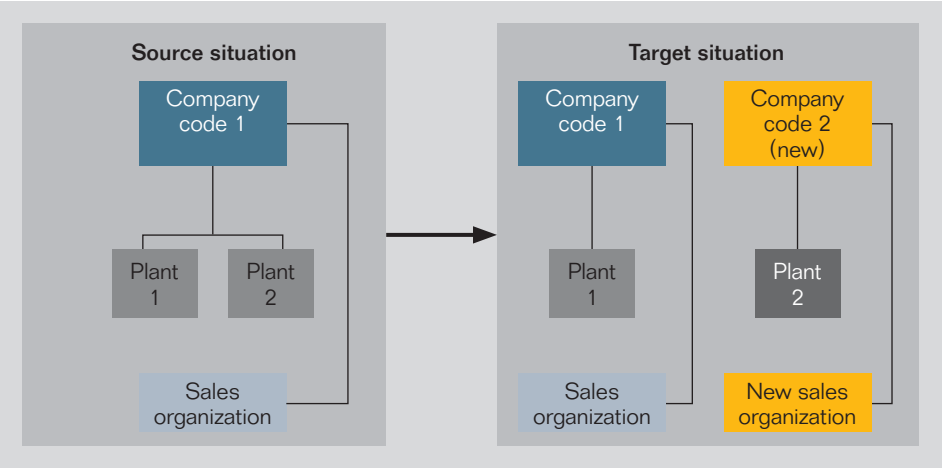

Figure 3: Typical Restructuring Scenario – Company-Code Split and Plant Reallocation

high-performance **plant-merge service** to help merge several plants within one company code. If the respective plants are located in different company codes, it is advisable to use the group's plant-reallocation service beforehand to facilitate the transfer.

The group's **plant-reallocation service** helps you separate a designated business segment or business area from a company by reallocating the "plant" organizational unit to which it belongs. To do this, you assign the plant to a new company code. Optionally, you can either reallocate sales and purchasing organizations or split them into new ones. A major advantage of this service is that it does not require any changes to logistics processes, thus supporting process continuity. Figure 3 illustrates a typical scenario.

Harmonize and Unify Data

Constantly changing global markets demand that international companies identify business requirements and integrate them into their daily business practices. Successfully operating your business under these conditions places new demands on your system landscape. You have to optimize business processes and ensure consistent and streamlined data structures throughout the company. To meet these objectives, you often need to align the company's financials and logistics data. The System Landscape Optimization group provides proven services to help you realize the required changes at the system level.

Aligning Financials and Controlling Data

Companies have to deal with regional disparities and must be able to handle multiple languages and comply with state- and country-specific tax regulations. In order to increase the transparency of their overall financial processes, companies often decide to introduce more widely accepted standards, such as generally accepted accounting principles (GAAP) or International Financial Reporting Standards (IFRS). This often requires the full alignment of data structures and processes, resulting in company-wide unification activities.

Your unification efforts may require a groupwide naming convention for controlling objects to establish cross-company controlling within your group, or you might wish to simplify an outdated cost-center structure. To effect either one, the names of cost centers, profit centers, activity types, internal orders, statistical key figures, and other controlling objects may need to be aligned. A conceptual redesign could also require replacing your existing operating concern structure.

The System Landscape Optimization group's services help companies in a reliable and cost-effective way to

> "The merger itself was flawless and met all quality standards. In fact, the implementation ended up 15% below the estimated budget."
>
> Christian Ø. Kristensen, IS Delivery Manager, Grundfos
>
> Project: Merger of three controlling areas into a single one

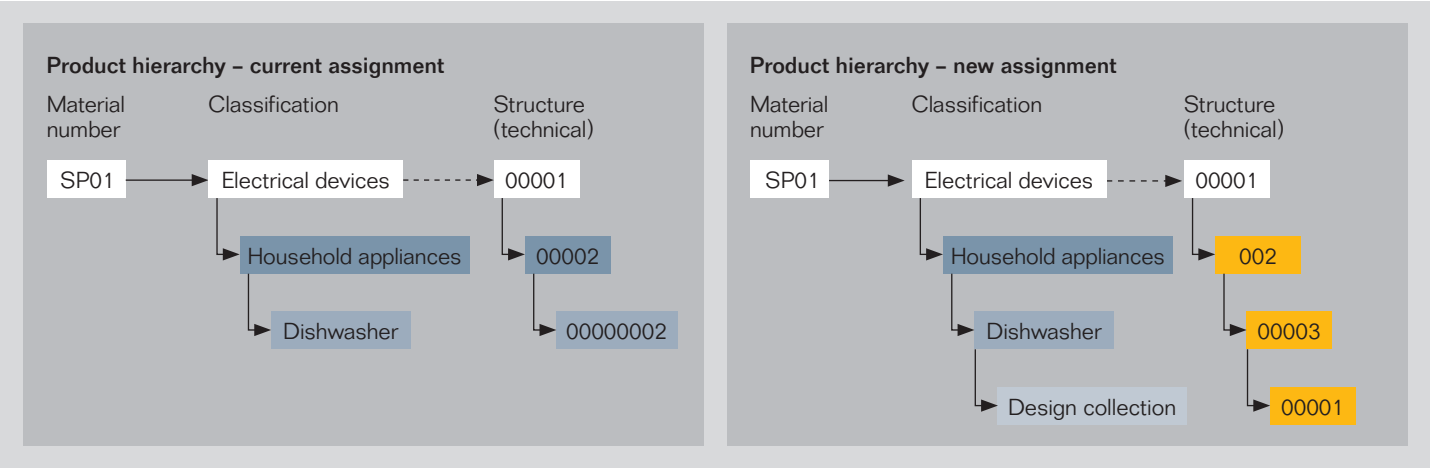

Figure 4: Example of Realizing Changes to a Product Hierarchy at the System Level

harmonize and unify the financial and controlling data used by the SAP ERP application. The services not only support companies in introducing standard financial guidelines by using prescriptive standards, but they also help to increase efficiencies, reduce costs, and optimize processes.

Optimizing Logistics and Operations

The demands of operating a global business and meeting customer expectations require more efficiency. Making this happen entails optimization and unification of internal processes and overall operations – from procurement to production, logistics, and customer relationship management. In order to achieve full data consistency, you need to synchronize your various applications such as advanced planning and optimization, supply chain management, and sales and distribution. Each application has to use the same unique business data, including serial numbers, material numbers, and business partner information. In addition, the historical development of systems, such as multiple data migrations from different source systems, often results in redundant entries of information about your customers, vendors, and other business partners. In order to reduce system complexity and data administration efforts while enhancing your data quality and streamlining your data structures, it is advisable to clean up your data records and merge the respective duplicate records into a single one.

Responding to changing buying patterns of customers is another important aspect. In order to secure continuous business success, companies seek to optimize and streamline their product portfolios. Your system landscape has to reflect all major changes. For example, your company's product hierarchy has to be aligned accordingly to differentiate your products. This can be realized by **redesigning your product hierarchy** (see the example in Figure 4), which must then also be reflected in the data for affected products, sales and purchase orders, and pricing.

Converting Currencies in Your System Landscape

Your company may handle several currencies across its IT landscape. If business-driven changes or legal requirements necessitate changes to the currencies your company uses, the System Landscape Optimization group offers well-proven services to help you realize numerous types of currency conversions:

- Converting the company's first local currency in all software components of the SAP ERP application
- Introducing, changing, or deleting parallel local currencies
- Changing group currencies as well as currencies for controlling areas, operating concerns, and so on

If your objective is to introduce more widely accepted standards such as GAAP or IFRS and improve financial

reporting and accountability, you may need to combine several consolidation and harmonization approaches. The group's experienced consultants can help with their extensive transformation knowledge to compose an integral and consistent solution including appropriate conversion and migration services and techniques according to your individual requirements.

Consolidate and Unify Landscape

Your current distributed system landscape may result in increasing administrative overhead. To lower total cost of ownership (TCO) and achieve an effective centralization of your IT landscape, the group can support you with a wide range of services.

Depending on your objectives, the group can help you to, for example, **set up a multiclient system** for simplifying or centralizing your system landscape or to **merge several clients from different systems into a single client**. This reduces the number of systems and clients and results in a well-structured SAP system landscape that is efficient to manage.

The group's **process-data migration service** can help you move large quantities of selected data between systems and also to an application running on a higher release level. You can determine the appropriate business process elements – such as sales orders, purchase orders, open items, and serial numbers – which will then be selected in your SAP ERP, SAP Customer Relationship Management, or SAP Supplier Relationship Management applications and transferred to the designated target location. Using this service, you can transfer data efficiently, selectively, and cost-effectively. Figure 5 shows an example of this scenario.

In general, the combination of special technical functions and conversion rules used by the System Landscape Optimization group enables you to not only safeguard all historical data but also to maintain all document flows.

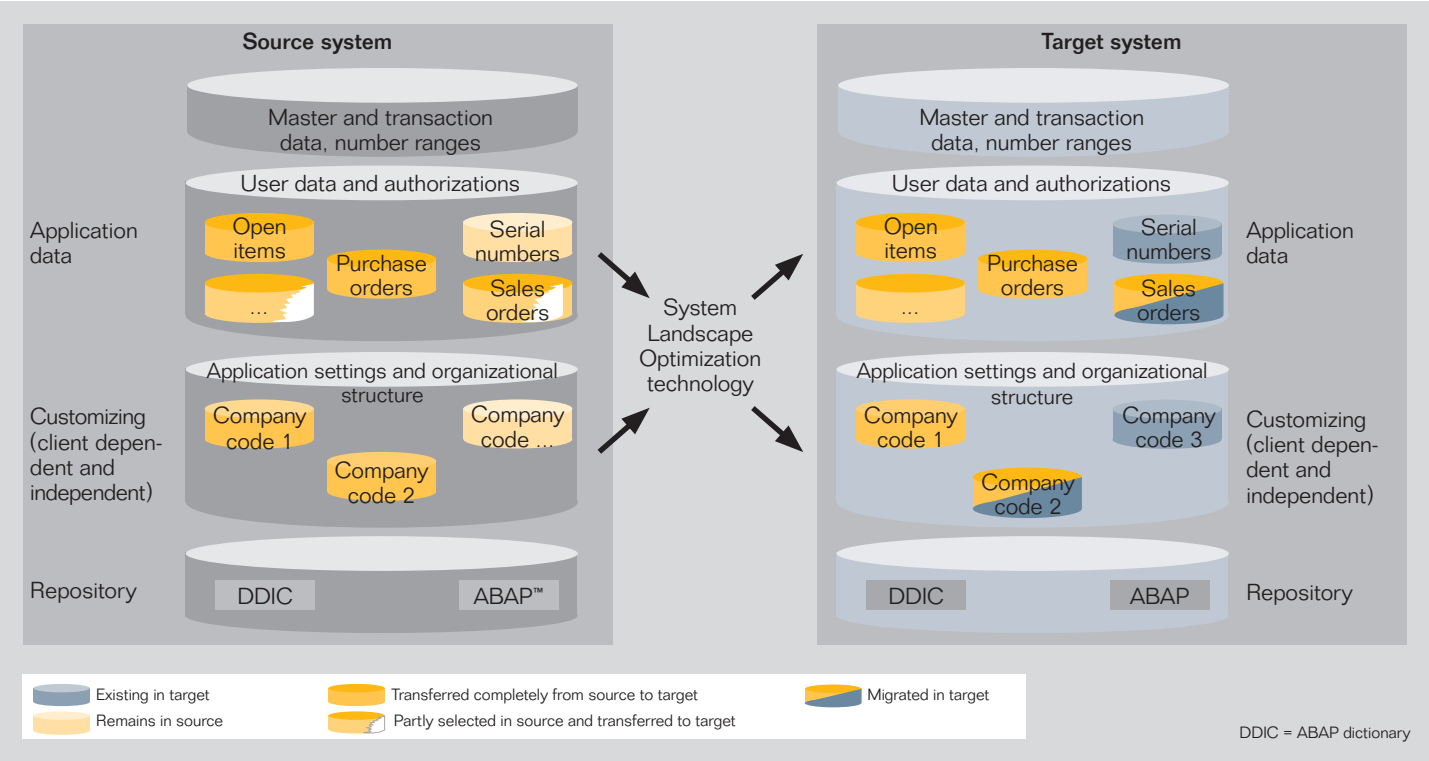

Figure 5: Schematic View of Process-Data Migration Service

The group also guides the **restructuring of solutions for human capital management (HCM) from SAP** by merging, splitting, and redefining organizational structures as well as transferring HCM data quickly and securely between SAP software systems. Furthermore, the services help to verify the consistency and continuity of migrated HCM data and support correction runs and retroactive accounting activities.

Services also support **data archiving across an entire SAP solution environment**, helping you relocate and store large data volumes. These services allow a measurable reduction in database growth rates and data maintenance costs and provide a uniform and secure method of data removal and management across your SAP solutions.

"The System Landscape Optimization group of SAP Consulting offered the expertise and experience required to get the job done – and in the defined time frame too. For us, it was crucial to keep downtime to an absolute minimum."

Verena Holz, Project Manager, HOCHTIEF Aktiengesellschaft

Project: Consolidation of the IT environment by transferring individual clients to a central system

To help customers cost-effectively manage their data while complying with legal requirements for long-term data retention, the group offers specific services for **implementing the SAP NetWeaver® Information Lifecycle Management component**. These services help you to analyze your archiving strategy, apply retention policies, extract data in system decommissioning scenarios, and transfer knowledge for legal case management and business warehouse reporting.

The group can also help to build up nonproductive system landscapes based on reduced data volume extracted from your production system quickly and cost-effectively. Services can help with **implementing and configuring SAP Test Data Migration Server software** for SAP ERP implementations and other solutions for specific industries such as utilities, banking, and insurance. Because business-relevant and up-to-date test data can be made available at any time, you can benefit from improved quality of development and training activities.

Technical Optimization Services

To help you minimize the impact of a transformation project on your daily business, the group offers various technical optimization services. With the help of these complementary services, you can realize a smooth transfer process. For instance, the group's **minimized downtime service** can alleviate worries about interrupting your business processes and helps to reduce downtime during the actual conversion or migration.

"In order to successfully complete a migration securely in such a short time, a comprehensive range of data migration tools and methodologies was required. The System Landscape Optimization group had everything we needed."

Eiichi Tanaka, General Manager for Planning and Development, IS Division, FamilyMart Co. Ltd.

Project: Data migration during SAP® ERP application upgrade

If your company requires support for **tuning hardware and performance** during the realization phase, the group also provides well-proven services to help in this area.

The System Landscape Optimization Group

Over the last 18 years, the System Landscape Optimization group has engaged in more than 10,000 migration, harmonization, and consolidation projects worldwide. The group of experts provides both a high degree of standardization and the flexibility to fulfill special customer requirements.

For all its services, the System Landscape Optimization group uses proven, standardized methodologies and tool-based technologies. Prior to the productive conversion, each project includes multiple test conversions carried out in a copy of the production system to help ensure data security, consistency, and integrity.

More Information

For more information about the service portfolio of the System Landscape Optimization group and customer projects, please visit us at www.service.sap.com/slo.

QUICK FACTS

Summary
Business-driven changes to corporate structures – such as mergers, acquisitions, and reorganizations – require the adaptation of your existing SAP® system landscape. And the high value of accurate and reliable data may demand data harmonization and process optimization. In addition, consolidating disparate IT solutions and centralizing system landscapes can help cut costs. The System Landscape Optimization group from SAP Consulting can help you reach these objectives.

Business Challenges
- Adapt SAP system landscapes to reflect mergers, acquisitions, and divestitures
- Align organizational structures and processes at the system level to meet the needs of corporate restructuring
- Align with best practices and IT strategies to realize data harmonization and process optimization
- Reduce IT complexity and centralize disparate IT solutions

Key Features
- **Leverage scenarios for buy, sell, and restructure** – Align organizational structures and processes at the system level after corporate restructuring
- **Harmonize and unify data** – Align with best practices and IT strategies for data harmonization and process optimization
- **Consolidate and unify landscape** – Reduce IT complexity, operation costs, and system administration

Business Benefits
- **High-quality work and data security** via the expertise of highly experienced consultants with necessary knowledge to complete complex transformation tasks
- **Complete service offering** from project management to a detailed technical solution
- **Greater flexibility** to modify a live SAP solution quickly and align it with new business needs without interrupting daily business
- **Fast, cost-effective solutions** using proven methodologies and technologies to accelerate transformation and reduce costs

For More Information
For more information about the System Landscape Optimization group's services offerings, visit us at www.sap.com/services/slo.

www.sap.com/contactsap

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