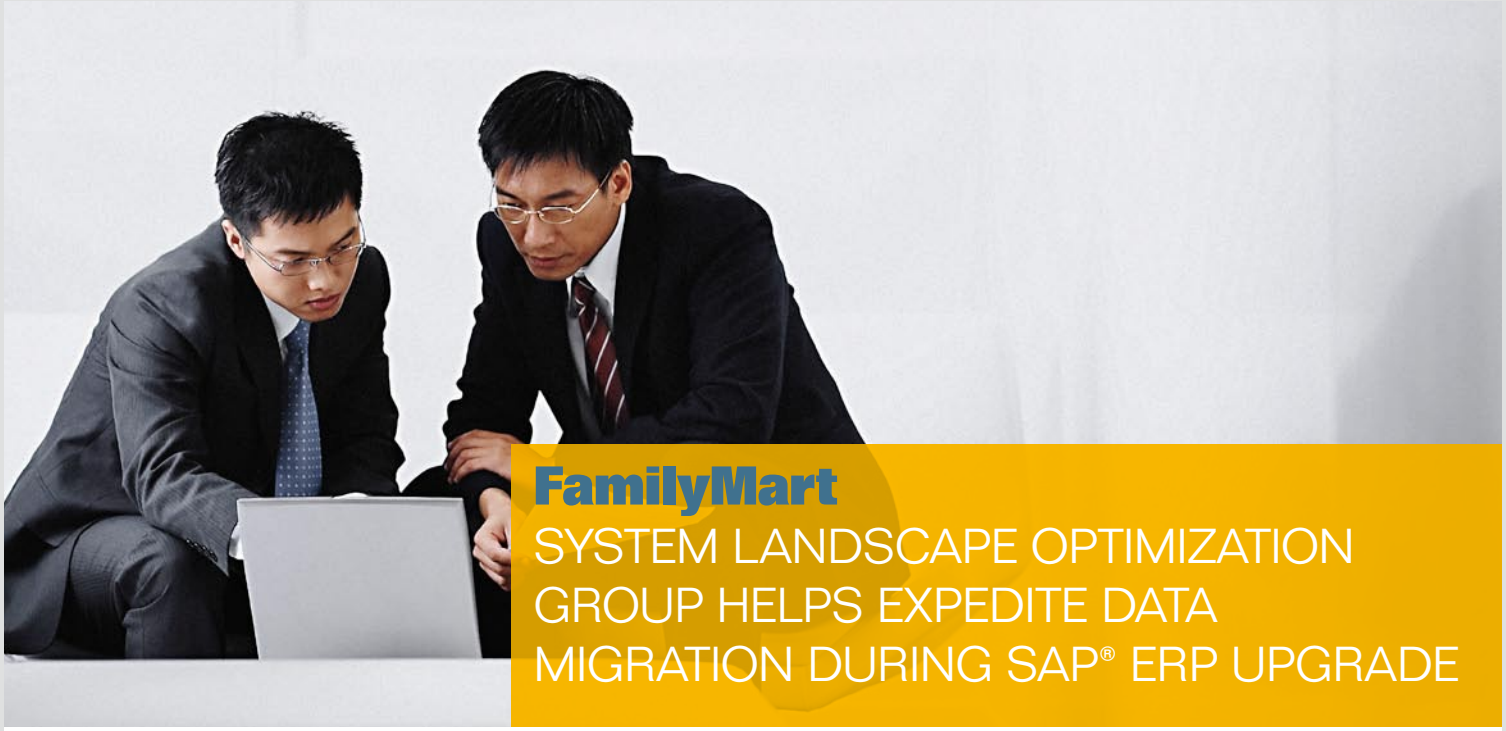

FamilyMart

SYSTEM LANDSCAPE OPTIMIZATION GROUP HELPS EXPEDITE DATA MIGRATION DURING SAP® ERP UPGRADE

"There were obvious advantages in upgrading to the newest version of SAP ERP. . . . the new release provided the comprehensive functionality we needed to enhance corporate governance control."

Yasuhiro Kobe, Managing Director and Managing Executive Officer IS Division, FamilyMart Co. Ltd.

QUICK FACTS

Company
- Name: FamilyMart Co. Ltd.
- Headquarters: Tokyo, Japan
- Industry: Retail
- Products and services: Franchise convenience stores
- Revenue: Approximately US$13.77 billion
- Employees: 3,065
- Web site: www.family.co.jp
- Implementation partner: Itochu Techno-Solutions Corporation

Challenges and Opportunities
- Support the continuous growth of FamilyMart's franchise business that includes approximately 7,700 stores in Japan
- Improve internal control

Objectives
- Perform a smooth upgrade to the new SAP® ERP application, which helps support back-end business and store operations 24x7
- Enable secure, accurate data migration during minimal downtime
- Comply with the Japanese version of the Sarbanes-Oxley Act

SAP Solutions and Services
- SAP ERP
- Services from the System Landscape Optimization group of SAP Consulting

Implementation Highlights
- Careful planning for data migration
- Extensive validation procedures and checks prior to live operation
- Only 1 period of downtime for SAP ERP upgrade and business data migration using methodologies delivered by the System Landscape Optimization group

Why SAP
- Availability and expert knowledge of the SAP Consulting organization's System Landscape Optimization group, which supports a business data migration and upgrade during the same period
- Superior support for a secure, accurate upgrade
- Minimal system downtime
- Additional functionality for internal control in newest version of SAP ERP

Benefits
- Successful upgrade with 1 brief period of downtime during the New Year holidays
- Enhanced internal control platform for audit and business support

Existing Environment
A mix of non-SAP applications and SAP ERP to support store management functions

Third-Party Integration
- Database: Oracle
- Hardware: Sun Microsystems
- Operating system: Sun Solaris

あなたと、コンビに、
FamilyMart

Known in Japan by the slogan, *"Anata to konbi ni, FamilyMart"* (FamilyMart, always close to you), FamilyMart Co. Ltd. is a franchise chain of convenience stores, with approximately 16,000 marts in Japan and around the globe. The company contracted the System Landscape Optimization group of SAP® Consulting when it decided to upgrade its SAP ERP application, which supports FamilyMart's business operations around the clock, seven days a week. With the help of the SAP consultants, who conducted careful validation procedures and tests, the company was able to successfully migrate a massive amount of business data – during one brief period of system downtime.

SAP ERP: A Secure Platform to Support More than 7,700 Stores in Japan

At FamilyMart, managers and employees alike rely on IT to maintain and enhance store quality and help ensure the overall efficiency of business operations. For example, in an effort to support its ongoing mission to keep customers happy and meet their growing expectations, the company began introducing various functions throughout its network of convenience stores several years ago – such as point-of-sale (POS) systems to manage sales at individual stores, electronic ordering systems, a distribution support system, and multimedia terminals. And in 2000, FamilyMart deployed SAP ERP to centrally manage business operations at its headquarters. The deployment included functionality for financial accounting, accounts management, and real estate management. With the SAP business software in place, the company gained a clear view of its accounting data and the ability to share that information company-wide. It also gained the capabilities to assess business performance by area and store and to conduct comparisons, streamline store lease management via automated processes, and perform return-on-asset and ROI analyses.

For the next several years, the company used SAP ERP to support business reforms and operational expansion. In 2007, however, FamilyMart reached a milestone: not only was its SAP ERP maintenance contract due to expire, but also the Japanese version of the Sarbanes-Oxley Act had come into force, requiring stronger compliance practices and system improvements to enhance internal control.

To address these issues, FamilyMart began searching for a stable management platform for its franchise chain of about 7,700 stores in Japan. After examining several alternatives, the company decided to continue using SAP ERP. Yasuhiro Kobe, managing director of FamilyMart's IS division, explains, "There were obvious advantages in upgrading to the newest version of SAP ERP. First, it would be much less costly than rebuilding the core system with another product. Second, the new release provided the comprehensive functionality we needed to enhance corporate governance control."

"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.

Less Risk During Data Migration

Once the company had made its decision to go with SAP ERP and introduce new functionality, it chose the System Landscape Optimization group of SAP Consulting to help minimize data migration risk. Generally, an SAP ERP upgrade requires that systems be stopped twice: once when the hardware, operating system, and business data are migrated and a second time when applications are updated. Also, regular upgrading methods interrupt business operations – with postupgrading tests requiring another system stoppage. These issues posed risks the company did not want to take.

To avoid those risks FamilyMart first needed to successfully – and quickly – migrate a massive amount of business information, including 30,000,000 POS data items generated in stores throughout Japan on a daily basis. Itochu Techno-Solutions Corporation (CTC), which participated in the upgrade as the IT architect vendor, proposed a migration plan. Eiichi Tanaka, general manager for planning and development in FamilyMart's IS division, comments, "The FamilyMart information system is extremely important. In addition to the POS data, it handles data for about 100,000 accounting statements every month. So we could only afford to stop the system for a maximum of five days, during the New Year holiday period. In order to 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."

"By utilizing these tools provided by the System Landscape Optimization group, we completed 70% to 80% of the data migration in one day. It was a relatively smooth transition – due in large part to data verification and validation procedures to ensure accuracy and to successful rehearsals for the migration process."

Toru Kamiya, Manager, IS Division, FamilyMart Co. Ltd.

The System Landscape Optimization group helps companies build new environments in parallel with existing operating networks and move business data during system downtime. Its services have been used worldwide, enabling organizations to achieve system integration and process changes during live operation of SAP software.

A Step-by-Step Methodology

In March 2008 FamilyMart began preparing for the upgrade and concurrent data migration. Working closely with the System Landscape Optimization group, it adopted a step-by-step approach, which involved setting up the new system platform and performing validation checks for the new software. CTC worked with key employees to make sure all transactions for each component met their specific user needs. Then, once enhancements were made, FamilyMart conducted tests to ensure requirements were satisfied company-wide. As needed, the IT team changed component settings and made corrections with add-ons. Seventy CTC engineers were then assigned to perform transactional checks for each component.

Three premigration tests were performed – in September, November, and December. Toru Kamiya, manager with FamilyMart's IS division, says the project succeeded mainly because the company had enough time to prepare for data migration. "There were some issues that needed to be addressed with the newer version of SAP ERP," he says, "but thanks to expertise of the System Landscape Optimization group and CTC's vigorous efforts, corrections were performed smoothly, and we were fully prepared for the migration."

The data migration involved nearly 300 gigabytes of data and took place between 11:30 a.m. on December 30 and 8:00 a.m. on January 5. The company took every precaution possible and even discussed reverting to the older environment in case of a major problem. However, that proved unnecessary; after confirming that the migration was progressing successfully, the team made its final decision to make the cutover at 9 p.m. on January 1. It even completed the task several hours earlier than scheduled. SAP consultants remained on hand to provide remote support in case of any postmigration issues.

Enhanced Internal Controls – Plans to Introduce Further Analysis Tools

Top management was quite satisfied with the project. Comments Kamiya, "By utilizing the tools provided by the System Landscape Optimization group, we completed 70% to 80% of the data migration in one day. It was a relatively smooth transition – due in large part to data verification and validation procedures to ensure accuracy and to successful rehearsals for the migration process." Kamiya also attributes much of the success to the strong teamwork between SAP and CTC.

With its new business platform in place, FamilyMart is now able to take advantage of a wide range of functionality to enhance internal control procedures. Kobe, in praise of the new system, says, "The new SAP ERP application gives top management a sense of security – in addition to enhanced internal control, we also have a wealth of functionality that allows us to meet our business objectives. And just as important, we have continual support from SAP."

FamilyMart has also benefited by replacing its hardware – achieving accelerated processes and better data reliability during unplanned disruptions caused by backups. The company next wants to introduce various measures to further improve business operations, including more sophisticated accounting analysis tools.

"We are now reexamining our entire information system," says Kobe. "We have already established an in-house data warehouse for sales and other data. Using the SAP ERP application's new functionality, we can further enhance our business operations by, for example, shortening budget planning cycles."

Kobe then says, in conclusion, "We took our first major step toward future growth by establishing a highly flexible business platform with SAP ERP."

www.sap.com/contactsap

CTC
Challenging Tomorrow's Changes

50 099 041 (10/05)
©2010 SAP AG. All rights reserved.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, Clear Enterprise, SAP BusinessObjects Explorer, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP France in the United States and in other countries.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.