

Large-Scale Payroll Migration

Telecommunications giant's successful migration from Legacy SAP HCM to SAP Employee Central Payroll (ECP)

The Project

A leading multinational telecommunications company faced the challenge of modernising and consolidating its payroll systems. With three outdated SAP HCM payroll systems operating independently, the integration and consolidation of data into a unified and modern system became necessary. The company chose SAP ECP (Employee Central Payroll), which must seamlessly integrate with the existing SAP SuccessFactors Employee Central Core HR system. Our team analysed, processed, and migrated employee master data, including payroll-relevant data.

For years, the company had used three separate SAP HCM systems for payroll across different business units and departments. These decentralised systems led to inefficiencies, redundancies, and increased operational costs. Moreover, maintaining and managing the data in these systems was cumbersome and prone to errors.

Project Goals

The project's main goal was to consolidate payroll data from the three existing SAP HCM systems into the new SAP ECP system. The goals included:

1. **Data Analysis and Processing:** Detailed analysis of existing data, cleansing, and harmonisation.
2. **Data Consolidation and Mapping:** Merging data from various systems and adapting it to the structure of the new SAP ECP system.
3. **Data Migration:** Several input techniques, such as Legacy System Migration Workbench (LSMW), to ensure smooth data transfer to the SAP ECP system.
4. **Validation and Testing:** Thorough verification of migrated data and extensive testing to ensure accuracy and completeness.

How HCM Supported

Data Analysis and Processing

Our team began by analysing the existing data in the three SAP HCM systems. This analysis involved identifying data inconsistencies, duplicates, and obsolete records. Using advanced data analytics software, primarily the Knime Analytics Platform, we cleansed and harmonised the data to create a solid foundation for the migration.

Data Consolidation and Mapping

After cleansing, we consolidated the data from the various systems. Our team developed a detailed mapping schema for the new SAP ECP system's data structure. We carefully mapped each data unit to ensure accurate migration to the new system.

Migration and Integration

The most critical phase was during the productive migration, where we began importing data into the productive system and performing spot checks and controls to ensure the process ran smoothly; we had to make some on-the-fly changes in Production because the Production and Test systems were completely different. We locked down the data to ensure no bad actors could change or manipulate it after extraction. We also built automatic validation into the process to ensure the tool did not accidentally alter data.

We conducted the data migration in multiple phases to minimise the risk of data loss or corruption. Our team used proven migration tools and methodologies, such as the Knime, as mentioned earlier, Analytics Platform and the standard SAP LSMW to securely and efficiently transfer data into the SAP ECP system. Simultaneously, we configured point-to-point integration with the existing SAP SuccessFactors Employee Central Core HR system to ensure seamless data flows between the systems.

Validation and Testing

Post-migration, we conducted extensive testing to verify the accuracy and integrity of the migrated data. This testing included automated tests and manual reviews by our expert team and the customer's payroll team. We promptly addressed discrepancies to ensure the data migration met the highest quality standards.

We conducted the test/validation phase using a test system that differed from the production system regarding data volume and age. We were able to catch many problems, but not all of them.

Challenges faced during the project

The main challenge was adapting to changes in the process and design. We remained highly flexible when designing the migration, as last-minute decisions were made about the destination of specific data. These decisions impacted the tools and processes we were using. Therefore, we had to be flexible in our approach and design the solution modularly and adaptable to complete the migration successfully. Harmonisation proved to be a challenge during the project. This challenge highlights the importance of change and communication in informing relevant stakeholders about changes in systems and processes. Communication can be particularly challenging in online projects, as it limits the amount of collaboration possible.

Added value for the customer

Thanks to the successful execution of the project, the company achieved significant improvements in its payroll and data management. The key benefits include:

- **Increased Efficiency:** Due to consolidating payroll systems, processes are streamlined, and operational costs are reduced.
- **Data Integrity:** Thorough cleansing and harmonisation of data led to higher accuracy and reliability of payroll data.
- **Improved Integration:** Seamless integration with the existing SAP SuccessFactors Employee Central Core HR system ensured consistent and up-to-date data across all HR processes.
- **Future-proofing:** The modern SAP ECP system has equipped the company to handle future payroll and HR data management challenges.

The client now has one payroll system instead of three, which is a massive improvement in terms of operational efficiency. They do not need to maintain and update three systems; now, they have only one.

Lessoned Learned

- Ensure that the proper tooling is available right from the beginning, considering the scope and volume of data
- Ensure junior developers work with senior developers to ensure a smooth handover.
- Ensure that roles and responsibilities are clarified upfront before starting. We had to fill in many customer resources because they needed help completing specific tasks.
- Meeting in person as a project team is critical to creating a good team culture and allows for a different level of collaboration.
- Change and communication are vital when integrating multiple systems within a company to ensure that every stakeholder is well-informed.

Conclusion

The successful migration of payroll data from three legacy SAP HCM systems to SAP Employee Central Payroll (ECP) marks a pivotal moment in the company's digital transformation. Through meticulous planning, extensive data analysis, and expert execution, our team overcame significant challenges to achieve a seamless transition. A unified payroll system enhances operational efficiency, improves data integrity, and ensures seamless integration with existing HR processes. This modernised infrastructure positions the company for future growth, enabling it to navigate upcoming payroll and HR data management challenges effectively.