



WE HAVE LIFTOFF: HOW PURDUE UNIVERSITY TRANSITIONED TO SAP S4 HANA

Stacy Umlauf, Assistant Director, Data Control, Purdue University
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Purdue University's Business Process Re-engineering project Journey to S/4HANA and SuccessFactors

Victoria Farnsworth, Executive Director ITEP, Purdue University

Keith Harmon, Vice President Public Sector Solutions, EPI-USE

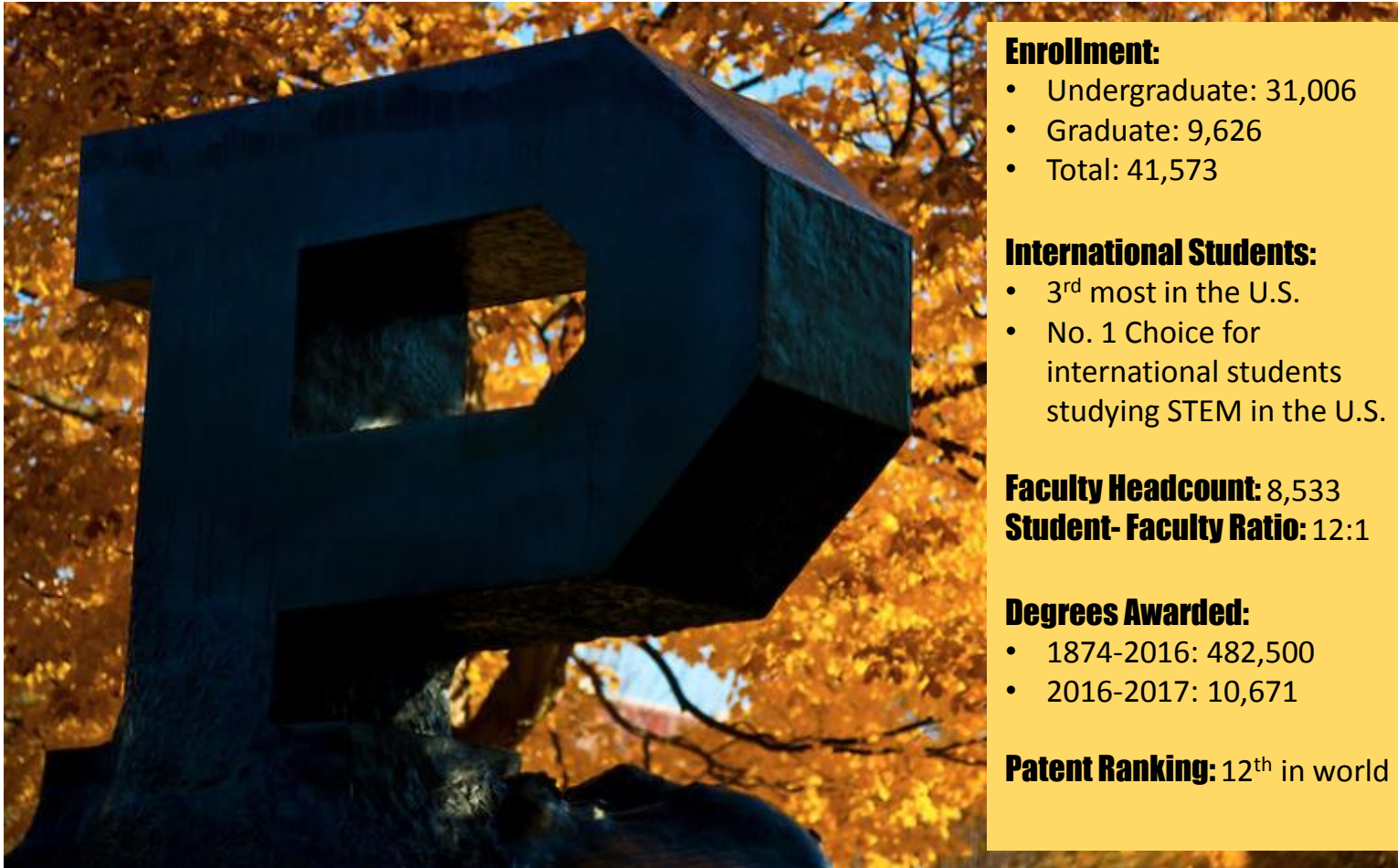


Agenda

- University & Project Overview
- Process & Lessons Learned
- Next Steps
- Questions



About Purdue University



Enrollment:

- Undergraduate: 31,006
- Graduate: 9,626
- Total: 41,573

International Students:

- 3rd most in the U.S.
- No. 1 Choice for international students studying STEM in the U.S.

Faculty Headcount: 8,533

Student- Faculty Ratio: 12:1

Degrees Awarded:

- 1874-2016: 482,500
- 2016-2017: 10,671

Patent Ranking: 12th in world

Multi & Virtual campuses

Purdue University
West Lafayette

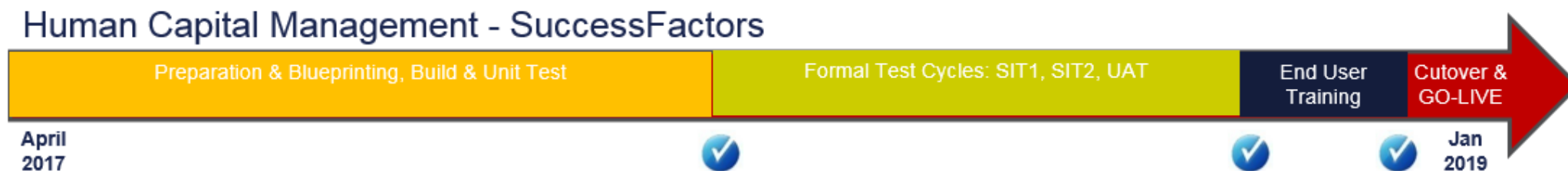
Purdue University
Northwest

Purdue University
Fort Wayne

Purdue Colleges
at IUPUI

PURDUE GLOBAL
UNIVERSITY.

Transform > Streamline, Simplify, Automate



Key Outcomes/Objectives

1. Identify potential efficiencies
2. Prioritize high risk data clean up & testing items
3. User Engagement and Change Management

Addressing the Challenges...

- 50+ Design workshops and 700+ Processes analyzed
- S/4 HANA 1610
- GL, CO, AP, AR, PS, FM, GM, TR, EAM, PPM, HCM
- Ariba, Concur
- 100+ Development Objects
- 60+ Interfaces
- 10+ Workflows (Ariba and Signature Delegation)

Project Preparation & Blueprint

Project Preparation

- Purdue Finance team made up of cross-functional team with at least 10 years of University experience from across the University including
 - Business Management – Academic Perspective
 - Sponsored Program – Sponsored perspective
 - Central Accounting – GASB, executive reporting, other system implementations (Ariba, Concur)
 - Financial Planning & Analysis – Budget, BI, reporting
 - IT – Experience with supporting current systems and familiarity with current processes

Blueprint

- Subject Matter Experts (SMEs) from all Purdue campuses participated
- Focused on process improvements, eliminating business pain points, and reporting requirements
- Reviewed findings and recommendations with leaders and SMEs from each area to obtain sign-off/approval

Key Decisions Out of Blueprint

- Faculty Allocations methodology brought together ALL faculty accounts in one structure
- Definition of Business Areas at the college level
- Definition of Cost Center/Department to align with HR data
- Elimination of PSCD in favor of FI-AR for all non-student receivables
- Elimination of 99% of University Fund elements
- Consistent methods to track items across campuses, colleges, and departments
- Creation of new workflows eliminating approvals for transactions <\$1,000
- Upgrade to S4 HANA

Engaging the Business Community

Realization

- Developed visual Org Charts for Business Owners to visualize the new structure
- Utilized account conversion database to create reporting mock ups utilizing new structure to report prior year data
- Weekly design sessions/open issues discussions with CFO, Comptroller, Directors of Business Management & Financial Planning and Analysis
- Bi-weekly engagement at Director of Financial Affairs meetings allowing information to cascade through the business management organization
- Visited regional campuses to deliver in person content and training sessions
- Early engagement with all 3rd party systems both internal and external (what's changing and the impacts to the additional systems)

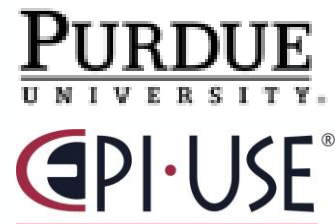
Testing

- Started small with most experienced testers to find initial issues and work out security issues
- Added additional more inexperienced testers for later testing cycles to build system confidence

Data Clean Up – When you think you're finished; you're wrong



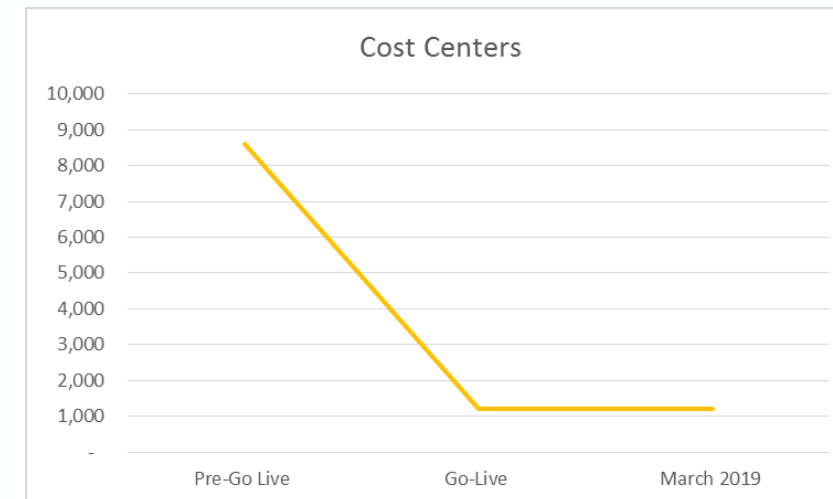
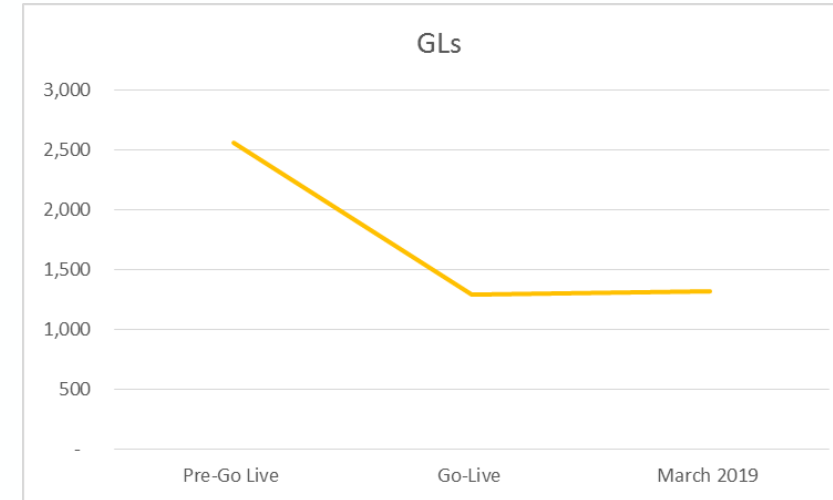
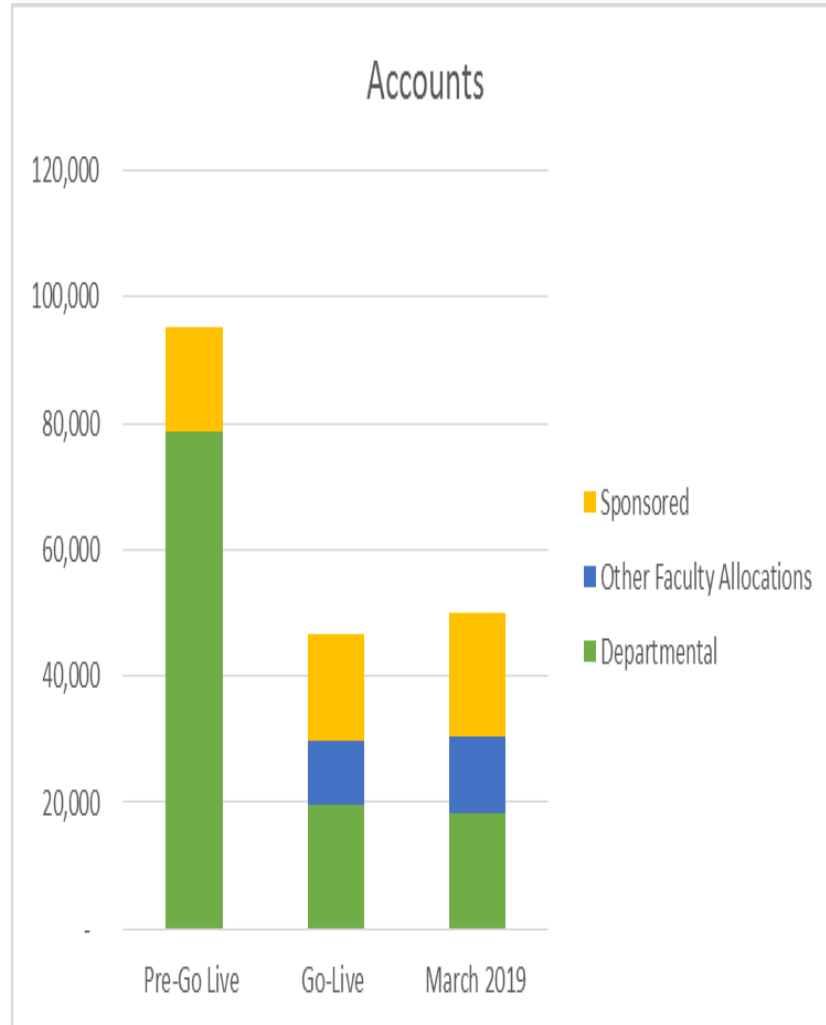
- Account Conversion
 - Inconsistent accounting made this conversion very manual
 - Database allowed for
 - Real time crosswalk pulls for data conversion
 - Real financial data could be pulled into new structures to show impact
- Vendor/Customer/Business Partner Clean Up
 - Significant number of student customers were eliminated from the SAP system; all student receivables transitioned to Banner
 - Vendors – some clean up occurred but more should have been done
- Purchase Order Clean Up
 - Closed out thousands of Purchase Orders from as far back as FY2013
 - Converted less than 2,000 purchase orders



Additional Lessons Learned

- Worked closely with S/4HANA Customer Care team on S/4HANA fixes, industry solutions, and escalation.
- OSS NOTES are critical for S/4HANA Releases, 1511, 1610, 1709. We have implemented 150+ OSS Notes with a focus on 3 key areas with NEW OSS Notes releases for the Purdue University Project.
- Strict IT Governance preparing for cutover. Mandatory OSS Notes, transports and development changes ONLY.
- Practice, practice, practice – we performed 7 conversions between SBX, DEV, QAS. 2 Cutover rehearsals which provided the team confidence going into go-live.
- A strong team makes a world of difference – different backgrounds, different view points, and different personalities make the best product.

Where are we now? Master Data Metrics



Project Goals - Accomplished

- ✓ Automation & Process Simplification
 - 90K transactions to-date through e-workflow
 - Grants: Budget uploads, status changes, award notifications, dunning notices
- ✓ Simplified, consistent structure
 - Over 90% of non-central Business Area's use 7 or less funds
- ✓ Finance module reconciliation
- ✓ Balance sheets and cash ownership by unit
- ✓ Management controls in place
- ✓ Accessible reporting



Other Project Successes

- ✓ Transparency (as of 2/28)
 - ✓ Startup - \$50.6M liability
 - ✓ Repair & Rehabilitation - \$98M balance
 - ✓ Restricted Gifts - \$13M YTD surplus
 - ✓ Faculty Allocations –
 - ✓ \$49M spend
 - ✓ \$109M balance (w/o startup liability)
- ✓ Fiscal approvals reduced
- ✓ Improved gift management practices
- ✓ Streamlined master data setup
- ✓ Re-keying eliminated
 - ✓ Direct Invoices, etc.
- ✓ Cost share commitment tracking
- ✓ Cost share transfer/recon reduction
- ✓ Streamlined sponsor invoicing
- ✓ Faster sponsor setup
- ✓ Enhanced grant master data
- ✓ Planning and projection tool
- ✓ Leveraging new infrastructure for additional improvements
 - ✓ E.g. wire approval process
- ✓ Reserves/earmark structure available
- ✓ Easily identify/correct new problems
 - ✓ E.g. asset disposal problem
- ✓ Synchronization with HCM/EAM structures

Going Forward – Maintaining Success

Master Data Governance – Master Data Team

- Controls new additions to the system and changes to existing fields
- Conducts monthly audits to identify issues
- Annual Review of IO/WBSE, Cost Center, and GL utilization

FI/FM Recon - Accounting

- Identifies any new issues after monthly close and make corrections
- Monthly close/review process for Business Areas

Support/Issues Management

- Managed by joint team from Accounting/FP&A/Master Data
- Provides inputs to process improvement and IT work streams

Process improvement prioritization – Comptroller and Sr. Dir/FP&A

New functionality and technical enhancement prioritization

- Establish priorities with IT

Training – Accounting/FP&A

- Financial management standard practices

Next Steps...

- Business Partner
 - Continue master data clean up
 - Explore use of Fiori for master data creation, searching
- Reporting
- Data Integrity & Consistency

Baseline criteria



Recruiting

- Recruit and Hire employees efficiently in single system of record



Onboarding



Compensation

- Pay employees accurately and timely
- Use employee data to efficiently distribute merit increases
- Administer compliance related actions (ie. Taxation, Onboarding I9 verification)



Time and Leave

- Record time and leaves accurately and timely
- Manage benefit vendor data to accurately record benefit eligibility changes



Performance

- Provide effective performance management through meaningful goal establishment and measurement



Learning

- Provide role-based training platform for ongoing training delivery



Careers

- Establish clear organizational and employee classification structures

SuccessFactors Lessons Learned

- **SuccessFactors will transform your HR processes and facilitate change**
- SuccessFactors has standard global processes and the challenge is to review the local processes and determine how to transition and adopt the SuccessFactors global processes

Teamwork

- The SAP Partnership and Support Team is Critical. For industry specific solutions, there may be some white spaces which can be addressed with SAP Tickets, OSS Notes, and having a strong SAP SuccessFactors Support Team is essential for success.
- Strong Business resources and engagement required for designing critical HR processes

SuccessFactors Lessons Learned

Time Entry – Replaced Kronos. Only positive clocking time profiles will need to log time. Monitor time entry to ensure clocking is occurring as expected through first few weeks.

Leaves - Balances are now visible and clearly defined. Will be some time period to answer questions regarding the balances converted as this was not available before

Workflow – Streamlines many functions across leaves, employee actions and data changes. Expect that it will take some time for email/inbox queues to stabilize and for workflow changes to be clarified.

Org Management – Employee Org Charts and Position Org Charts now available. Will take a little time to settle, but will be incredibly valuable to managers for immediate review

Goals & Performance Management – Can now be established and cascaded from President down through organization.

SuccessFactors Lessons Learned

The How...

- Prioritize Data and Reporting at the start of the Project. Data Conversions take longer than standard ECC and S/4 HANA. Starting point ~ 6 weeks and reduced to 1 week for SuccessFactors cutover.
- Perform a detailed analysis of Replication scenarios between S/4HANA, EC, and ECP. For the Purdue SF project there was a Business need for Custom Replication Program.
- Consider leveraging integration technologies like HCI, HCP, Odata API, and how they will be used between S/4, ECC, ECP.
- Plan and consider Landscape and Instances: SuccessFactors EC provides x3 instances. SuccessFactors Onboarding, Recruiting, and Learning come standard with 2 instances.

Q&A

For questions following this session...

please feel free to contact:

smith395@purdue.edu

vfarnsworth@purdue.edu

keith.harmon@us.epiuse.com

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