WE HAVE LIFTOFF: HOW PURDUE UNIVERSITY TRANSITIONED TO SAP S4 HANA
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Purdue University’s Business Process Re-engineering project
Journey to S/4HANA and SuccessFactors
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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
Transform > Streamline, Simplify, Automate

Enterprise Asset Management
- Prep, Build & Unit Test
- Formal Test Cycles
- End User Training
- Cutover & GO-LIVE
- April 2017
- October 2017

Finance/General Ledger – S/4HANA Release 1610
- Preparation & Blueprinting, Build & Unit Test
- Formal Test Cycles: SIT1, SIT2, UAT
- End User Training
- Cutover & GO-LIVE
- April 2017
- July 2018

Human Capital Management - SuccessFactors
- Preparation & Blueprinting, Build & Unit Test
- Formal Test Cycles: SIT1, SIT2, UAT
- End User Training
- Cutover & GO-LIVE
- April 2017
- January 2019
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 experiences 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

**Accounts**
- Pre-Go Live: 120,000
- Go-Live: 90,000
- March 2019: 60,000

- Sponsored
- Other Faculty Allocations
- Departmental

**GLs**
- Pre-Go Live: 3,000
- Go-Live: 2,500
- March 2019: 2,000

**Cost Centers**
- Pre-Go Live: 10,000
- Go-Live: 5,000
- March 2019: 1,000
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

- Recruit and Hire employees efficiently in single system of record
- Pay employees accurately and timely
- Use employee data to efficiently distribute merit increases
- Administer compliance related actions (ie. Taxation, Onboarding I9 verification)
- Record time and leaves accurately and timely
- Manage benefit vendor data to accurately record benefit eligibility changes
- Provide effective performance management through meaningful goal establishment and measurement
- Provide role-based training platform for ongoing training delivery
- 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:

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