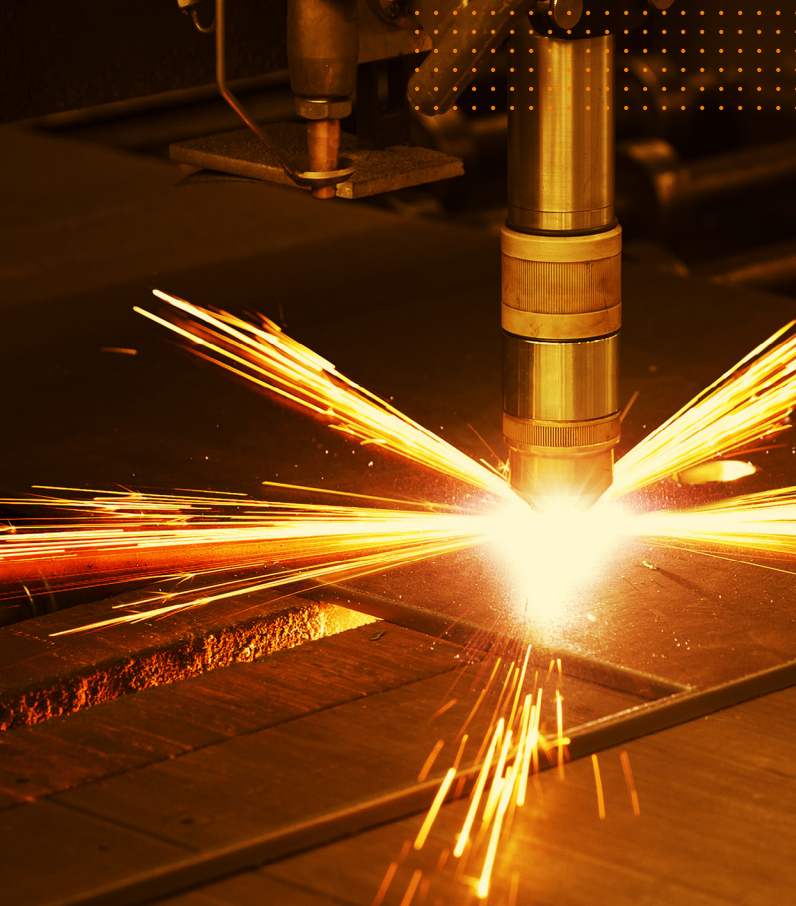


Selective Data Transition for SAP S/4HANA Cloud, EX

Success Story





Why cloud? Why now?

A move to SAP S/4HANA used to mean one of two things: Greenfield or Brownfield.

A move to the cloud, however, was even more restricted. The benefits of the cloud were offset by extensive limitations in the way data could be migrated. Selective Data Transition solves most of the headaches coming with executing a cloud transformation. You are no longer hand-cuffed to inflexible transition approaches. Fully leverage the competitive advantage of the cloud in terms of agility, productivity, and access to innovation with Selective Data Transition.

About SPS Companies

Founded in 1935 as Kansas Wool and Hide, the company rapidly transitioned into the scrap metal business shortly after the end of WWII. By 1959, the name was officially changed to the one we know today: Steel and Pipe Supply Company.

Since those early years, the company has evolved from one location in Manhattan, Kansas to becoming one of the largest privately-owned steel service centers in the United States. SPS Companies has grown from a single service center into a diverse set of companies offering a wide range of steel products, value-added processing, and steel-related services throughout the Midwest, South, and Mexico.

SAP becomes central IT Platform for the Business

SPS Companies' SAP journey started in 2001 with the implementation of SAP R/3 4.6c. Over the course of the next 17 years, SPS continued to expand their ERP footprint organically, as well as by integrating acquired companies into

their SAP landscape. Continuous upgrades and integration of additional SAP products (PI, Hybris Commerce, C4C, Fiori Launchpad) led to the starting point of their SAP S/4HANA journey in mid-2018.

Originally slated to move into SAP S/4HANA Cloud Essentials with central finance as the starting point, plans had to be halted after SAP announced changes to their solution roadmap.

SPS Companies Initial Situation

The decision by SPS to move to the cloud had already been made, the next question was trying to understand how this would happen. After acquiring St. Louis-based pipe and tube supplier Tubular USA, they decided to set this company up as an SAP S/4HANA Cloud, Extended edition proof-of-concept based on Best Practices. The switch from Essentials to Extended was due to SAP being unable to meet the roadmap.

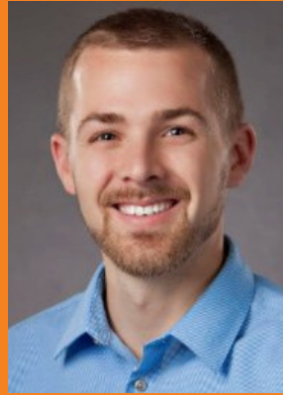
This added an extra wrinkle to SPS Companies' roadmap as they now had two separate SAP



systems. One was a small proof-of-concept running on SAP S/4HANA Cloud EX based on Best Practices, and the other a historically grown, highly customized ECC 6.0 on premise system with obsolete data and conflicting configuration.

The Solution: Selective Data Transition for SAP S/4HANA Cloud EX

Though Selective Data Transition had never been used before in a cloud migration scenario, there was no question that the core, technical transformation elements of an on-premise project were exactly the same as in the cloud. By approaching this challenge as a selective carve-out transition to SAP S/4HANA, the road was clear. First, we needed to identify the objects and data SPS wanted to migrate. Next, selectively carve out the data in scope from the source ECC system and mapping into new structures in the target cloud system. Finally, merge these together after resolving specific conflicting configuration and implementing new SAP S/4HANA functionalities.



“Brownfield was simply not possible, and Greenfield meant a long project timeline with multiple rollout phases. Selective Data Transition offered added flexibility to bring this down to a year.”

Justin Moldrup
IT Director, SPS Companies

Selective Data Transition offered SPS Companies the best of both worlds; on one side, they were able to set up a new system landscape (a requirement for SAP S/4HANA Cloud EX) and implement new companies, both of which are viewed as greenfield projects. On the other hand, they were able to retain a lot of custom screen transactions in a highly customized solution including the retention of valuable historical data which would not be possible without embarking in a brownfield project.

**SAP S/4HANA CLOUD EX CONTRACT
REQUIRED NEW SYSTEM LANDSCAPE**

**NEW COMPANIES HAD TO
BE IMPLEMENTED**

**HIGHLY CUSTOMIZED AND
FAMILIAR SOLUTION**

**VALUABLE HISTORICAL
TRANSACTIONAL DATA**

SELECTIVE DATA TRANSITION



SPS/4WARD

The Benefits: Seamless transition to SAP S/4HANA Cloud EX

As of today, SPS Companies is running fully on SAP S/4HANA Cloud EX without major disruptions to the business. “Selective Data Transition solved one of the bigger issues we were facing,” Justin Moldrup, IT Director at SPS Companies states. “Brownfield was simply not possible, and Greenfield meant a long project timeline with multiple rollout phases. Selective Data Transition offered added flexibility and significant reduction in change impact to our users, allowing us to bring this down to a year.”

Alongside the one-step move from ECC on-premise into SAP S/4HANA Cloud EX, the project consisted of two additional core transformation elements. The first, a significant data

footprint reduction by selectively migrating 5 years of relevant historical data. This reduction included the restructuring and renaming of organizational units. The second, a thorough financial reorganization to leverage functionalities in the new S/4HANA Universal Ledger. This involves retroactively converting historical data into new SAP S/4HANA components like Margin Analysis (cost-based to account-based CO-PA), the new FI Asset Accounting (classic FI-AA to new FI-AA), and NewGL Document Splitting (classic GL to NewGL).

“All these puzzle pieces by themselves are daunting, challenging and impossible to be carried out simultaneously without Selective Data Transition” says Johannes Semel, Sr. Practice Director at cbs Corporate Business Solutions America.

SPS/4WARD Accomplishments

Cloud Migration



- ECC6.0 on-premise to SAP S/4HANA Cloud EX
- Selective Data Transition as migration approach
- Selective data and processes migrated

Selective Company Code Migration



- 15 out of 30 company codes in scope
- renaming various organizational units
- Inactive company code data left behind

Data Footprint Reduction



- Only 5 years worth of historical transactional data
- 15 inactive company codes and obsolete data left behind
- 89% used database reduction

ONE Finance



- NewGL implementation
- Mapping of transactional data into new Universal Ledger
- Margin Analysis (cost-based to account-based CO-PA)
- New FI Asset Accounting
- Charts of Accounts / Profit Center conversion

System Merge



- 15 company codes merged into existing SAP S/4HANA Cloud EX system
- Resolved conflicting configuration and z-codes
- Harmonized, consolidated system

Business Partner



- Select customer and vendors migrated
- Merged and harmonized ECC data with existing BP in S/4HANA
- One BP for same customer/vendor with equal numbers

Another first of its kind project: Selective Data Transition for SAP S/4HANA Cloud

After pioneering the Selective Data Transition approach in 2017 with Viessmann, cbs Corporate Business Solutions once again sets new standards with SPS Companies' flagship project, SPS/4WARD. "What was achieved over New Years' weekend has never been done before" Johannes Semel claims. He continues, "this project proves that Selective Data Transition offers more flexibility to SAP users looking to migrate into the S/4HANA cloud."

SAP announced the new S/4HANA Cloud, Private Edition in late January, and is continuing to push customers into one of their various cloud offerings. SPS/4WARD will serve as a major reference point in the coming years highlighting the new possibilities for cloud migration using Selective Data Transition.

Selective Data Transition is a unique, software-driven SAP S/4HANA transformation approach. It solves the binary choice between New Implementation and System Conversion by adding a flexible, data-driven, and business focused alternative for SAP customers across industries.

"All these puzzle pieces by themselves are daunting, challenging and impossible to be carried out simultaneously without Selective Data Transition"

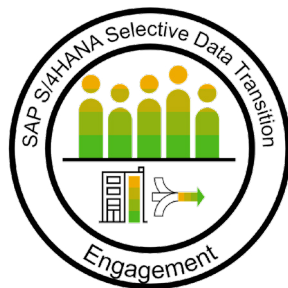
Johannes Semel
Sr. Practice Director SLT
cbs America





About cbs Corporate Business Solutions

cbs Corporate Business Solutions is a comprehensive, end-to-end SAP consulting service provider that combines technical & business process consulting with mature software technology to deliver complex projects. Since its founding in 1995, cbs has expanded to over 15 offices with over 600 consultants worldwide allowing us to deliver high-quality SAP consulting services for our global customer base. cbs is a founding member of the SAP S/4HANA Selective Data Transition Engagement group, formed in May 2019.



Involve Us

Risk-free assessment

cbs will conduct 2-hour workshop with experienced transformation consultants covering deployment options and transition approach.

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Ask Us Questions

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