



## The Journey from On-Premise SAP HCM to SAP SuccessFactors in the Cloud

Danielle Larocca, SAP Mentor and SVP Human Capital Management Solutions





# The journey from on-premise SAP-HCM to SuccessFactors



Danielle Larocca

SVP Human Capital Management

EPI-USE Labs

[danielle@labs.epiuse.com](mailto:danielle@labs.epiuse.com)

Twitter: @DanielleLarocca

LinkedIn: <https://www.linkedin.com/in/daniellelaroccasap/>.

**SAP**® Mentors

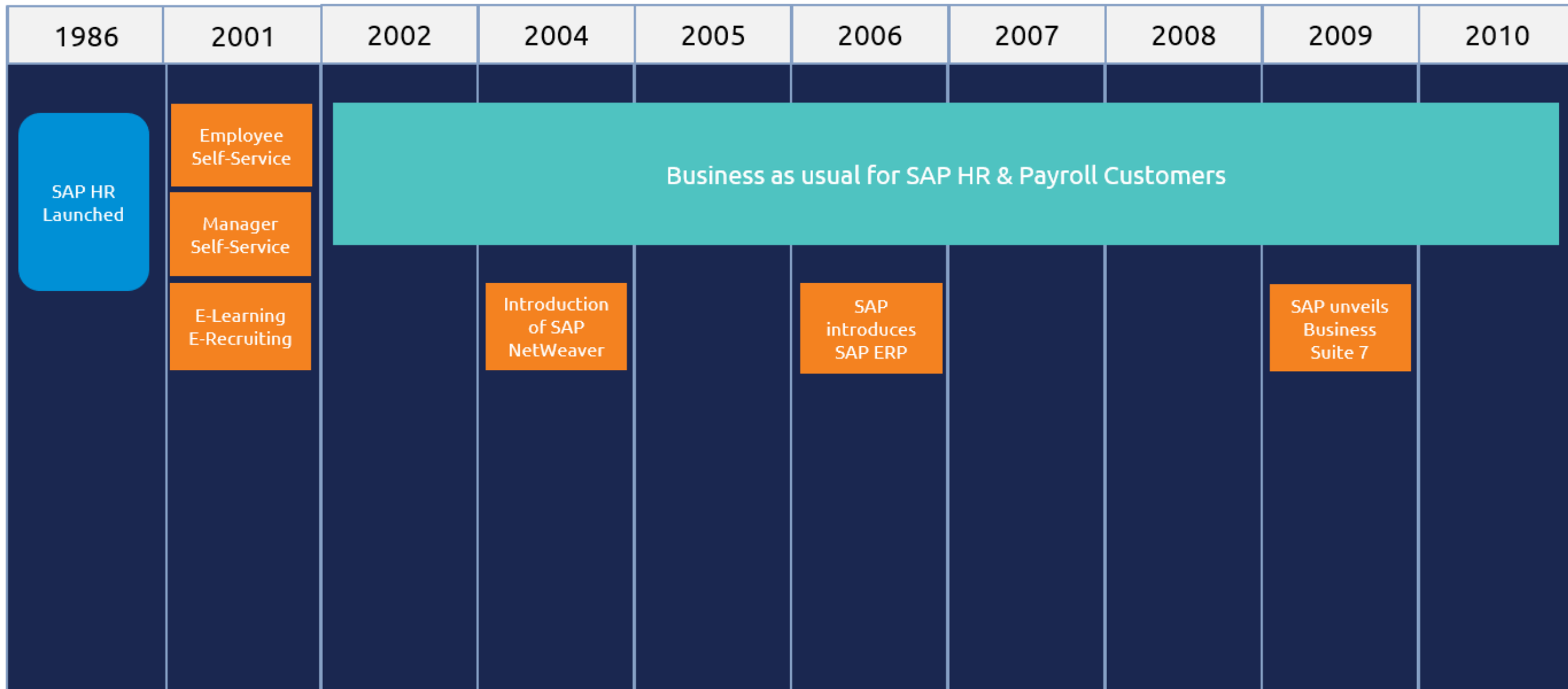


# Webinar Abstract

Join SAP Mentor Danielle Larocca to get up to speed on the changes in the SAP HR & Payroll space and the options available for existing SAP ERP HCM on-premise customers as they make their journey from SAP ERP HCM and on-premise payroll to SAP SuccessFactors and the cloud.

This comprehensive session will bring you up to speed on the changes in the HCM space, the options for each landscape model and how they came to be including an analysis of the pros, cons and considerations for each including the multiple Payroll deployment models with considerations around SAP's new messaging announced in January 2020. Learn the particulars of each deployment model and the pros and cons of each for customers as they make their journey to S/4 HANA and SAP SuccessFactors.

# The History of SAP History of SAP HR and Payroll



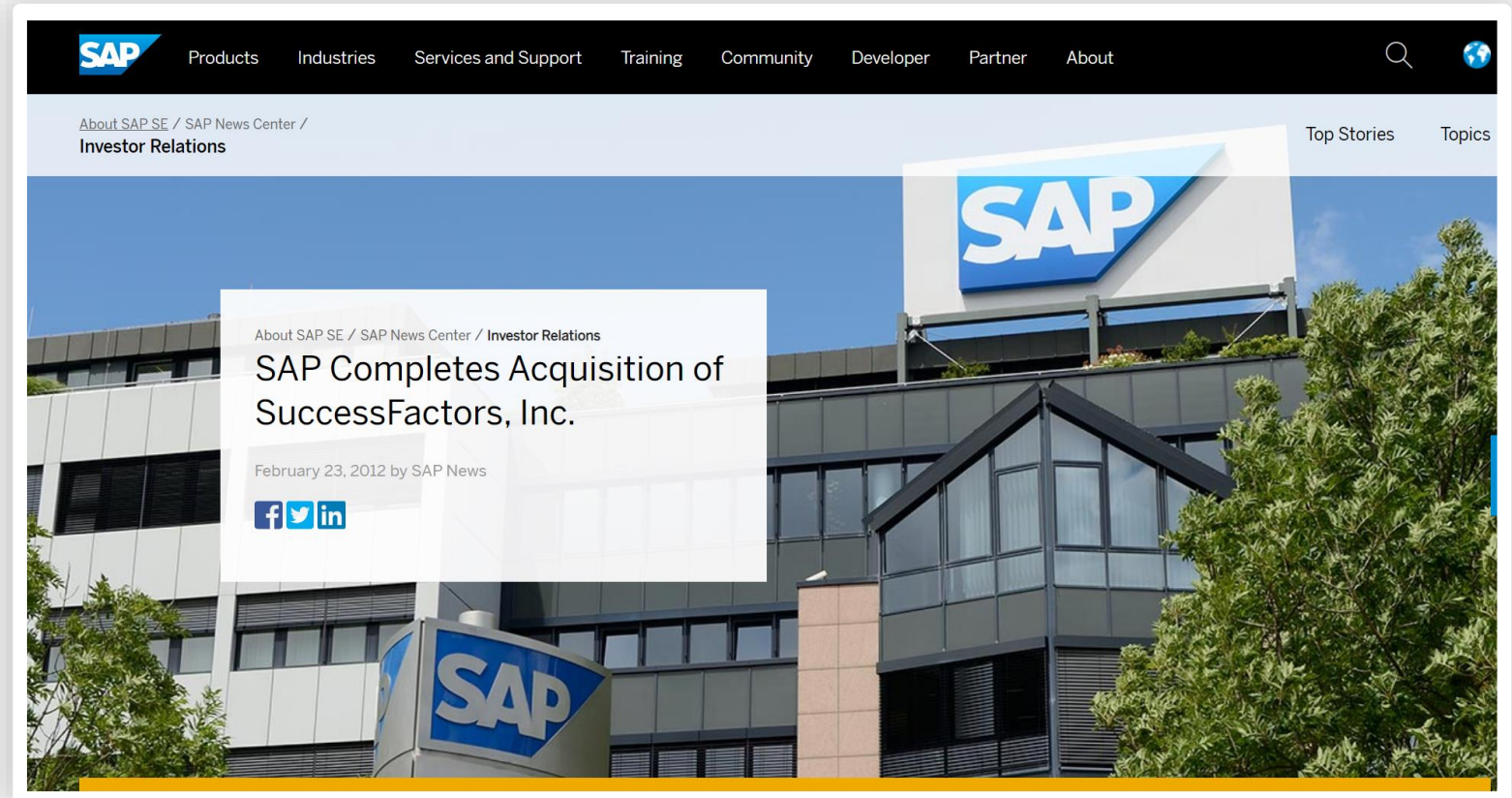


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2012

# The Big News in 2012 – Moving to the Cloud

- A model change from on-premise to cloud
- A shift from customized design to best practice design
- Customers encouraged to move by year end 2015
- It is not a 'like-for-like' comparison between SAP and SAP SuccessFactors modules
  - Anyone going into the exercise with that expectation will be disappointed



© Source SAP



On-Premise HCM



# SAP SuccessFactors



Cloud HCM



Partners



## Core:

- Personnel Administration
- Organizational Management
- Employee Self-Service
- Manager Self-Service
- Benefits
- Time Management
- Time Evaluation



## Core:

- Employee Central

## BENEFITS



## TIME & ATTENDANCE



## Talent:

- On-Premise Performance Mgmt.
- On-Premise E-Recruiting
- On-Premise E-Learning
- On-Premise Compensation



## Talent:

- Performance & Goals
- Recruitment and Onboarding
- Learning
- Compensation
- Succession & Development



## Payroll:

- Payroll



## Payroll:

- Employee Central Payroll (Hosted Cloud)



# 2012 – Two Options

## Core HR and Payroll

Two options: Cloud and On-Premise



Employee Recordkeeping, Organizational Management, Payroll, Benefits, Time Off Management, Time and Attendance, etc.

1



### On-Premise

- SAP (ERP) HCM
- SAP Payroll
- SAP Time & Attendance

2



### Cloud

- Employee Central
- Employee Central Payroll

# 2012 Annual Conference Messaging

- An introduction to the integration between SAP and SuccessFactors
- How to leverage the cloud-based talent management capabilities of SuccessFactors
- Hands-on lab getting the feel of SuccessFactors functionality

“HR's Changing: Are you ready?”

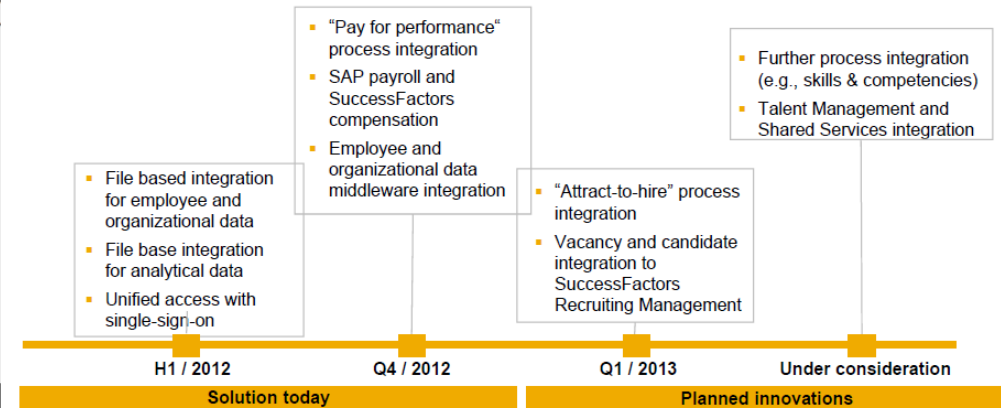
## Key Message for Core HR Solutions

Move to the cloud at your own pace

- Although some customers have a deliberate cloud strategy, many customers prefer to build on top of the core HR foundations that they have developed for years and deliver on strategy
- In that context, current and the on-premise user experience insight and functionality underpin satisfaction and engagement
- Future innovation will focus on cloud-based solutions, leveraging introducing social concepts

## SuccessFactors and SAP Integration

Roadmap Overview



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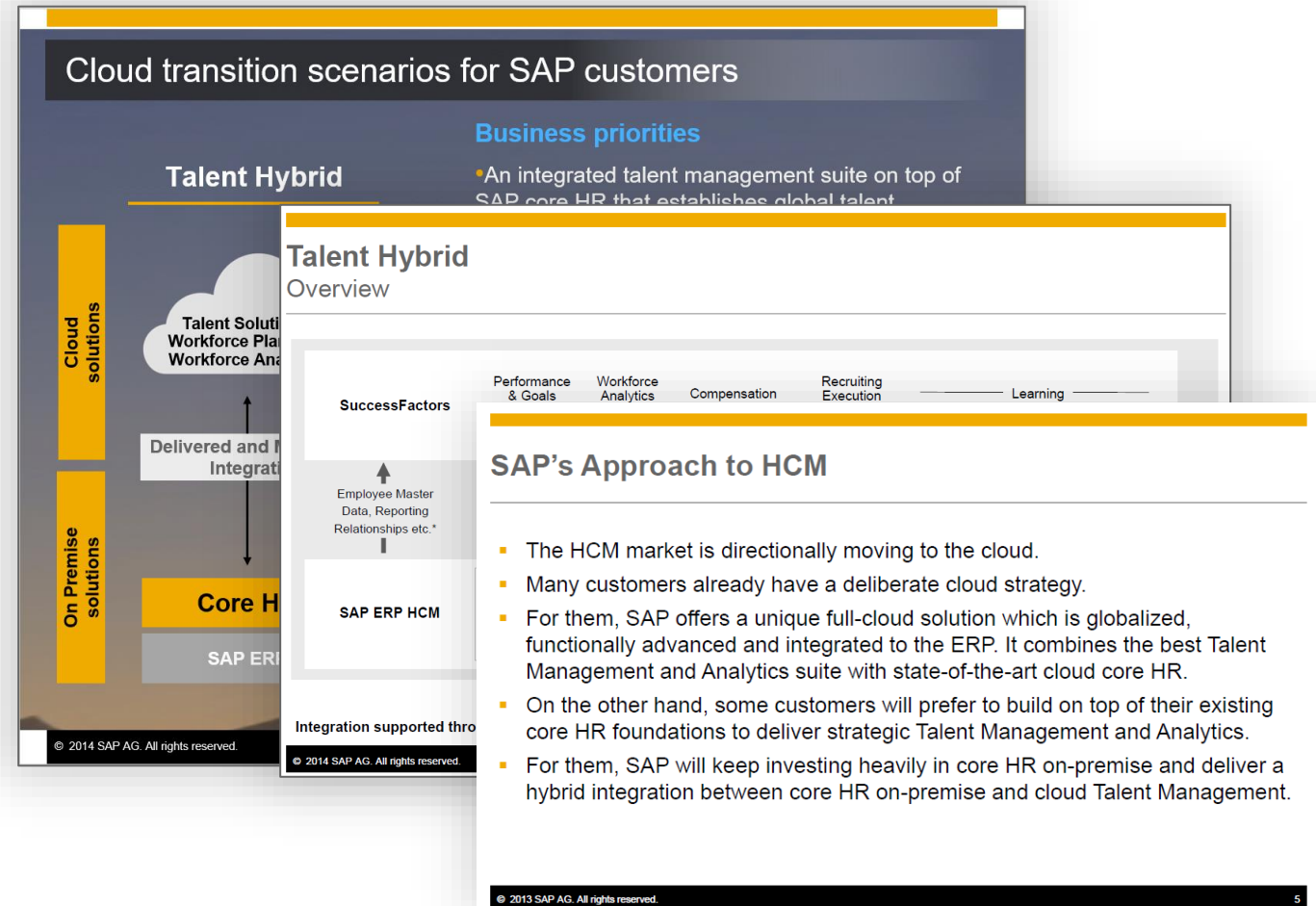
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**2013**

# The Big News in 2013 – Talent Hybrid

- A new landscape model is launched called Talent Hybrid
- A model designed for those customers who are keeping their SAP core data (HR and/or Payroll) on-premise while investigating at least one SuccessFactors talent module in the cloud (i.e. Recruitment)





# 2013 – 3 Landscape Options for Customers

## James Shares the Deployment Options

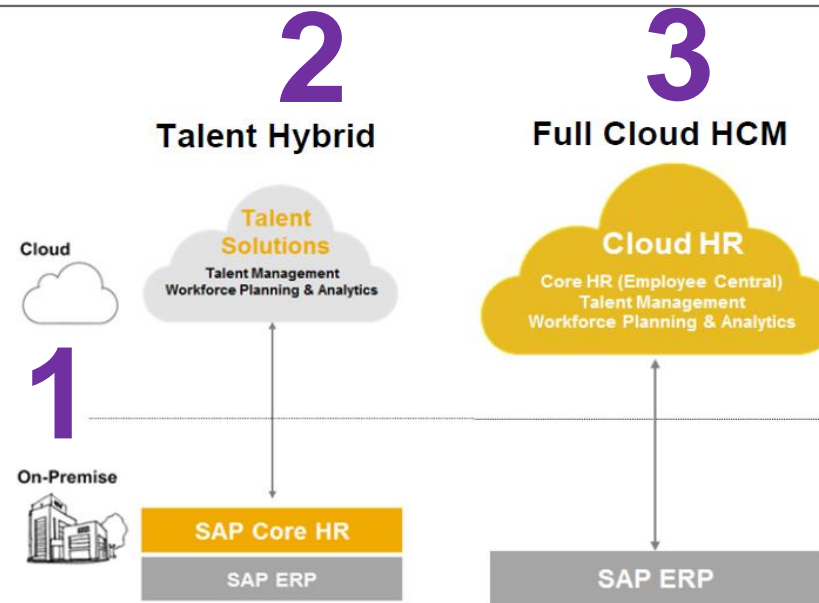
James recommends the Hybrid HCM option as a place to start

There are two deployment options that we can look at. Since you just implemented SAP ERP HCM, I will recommend the Hybrid HCM option for you.



James  
SuccessFactors  
Solution Architect

Janet  
IT Executive



# 2013 Annual Conference Messaging

- Customers were encouraged to begin their journey to the cloud
- On-Premise Core HR UX Renovation
- SuccessFactors and SAP Integration strategy

“Now is the time for a digital transformation”

**The 2013 Complete Guide to the Functionality, Updates, and Future Roadmap for SAP ERP HCM Solutions**  
Jean-Bernard R...  
SAP

**A Detailed Look at the New User Experience for Core SAP ERP HCM On-Premise**  
Robert Moeller  
SAP Labs

**Summary – Why Hybrid?**

**A journey to the cloud for every customer, at your own pace**

 Make the most of your investment	 Take advantage of easy implementation	 A roadmap that fits your future
<ul style="list-style-type: none"><li>• Complement and extend your on-premise core HR applications</li><li>• Use a <b>phased approach</b> to transform your organization</li><li>• Deploy an <b>integrated suite</b> of talent management applications at your pace</li></ul>	<ul style="list-style-type: none"><li>• Replace applications as <b>needed</b>; no need to switch everything overnight</li><li>• <b>Proven today</b> – hundreds of customers already run SuccessFactors and the SAP Business Suite</li></ul>	<ul style="list-style-type: none"><li>• Strong roadmap of <b>enhancements and new functionality</b> with huge R&amp;D investment to ensure successful delivery</li><li>• Benefit from <b>increasing integration</b> of SAP and SuccessFactors</li></ul>

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2014

# The Big News in 2014 – Side-by-Side

- A new landscape model is launched called side-by-side
- Customers began to challenge the areas not addressed by SuccessFactors, specifically complex Time and Payroll
- **Guaranteed support for on-premise SAP HCM until Year End 2020**

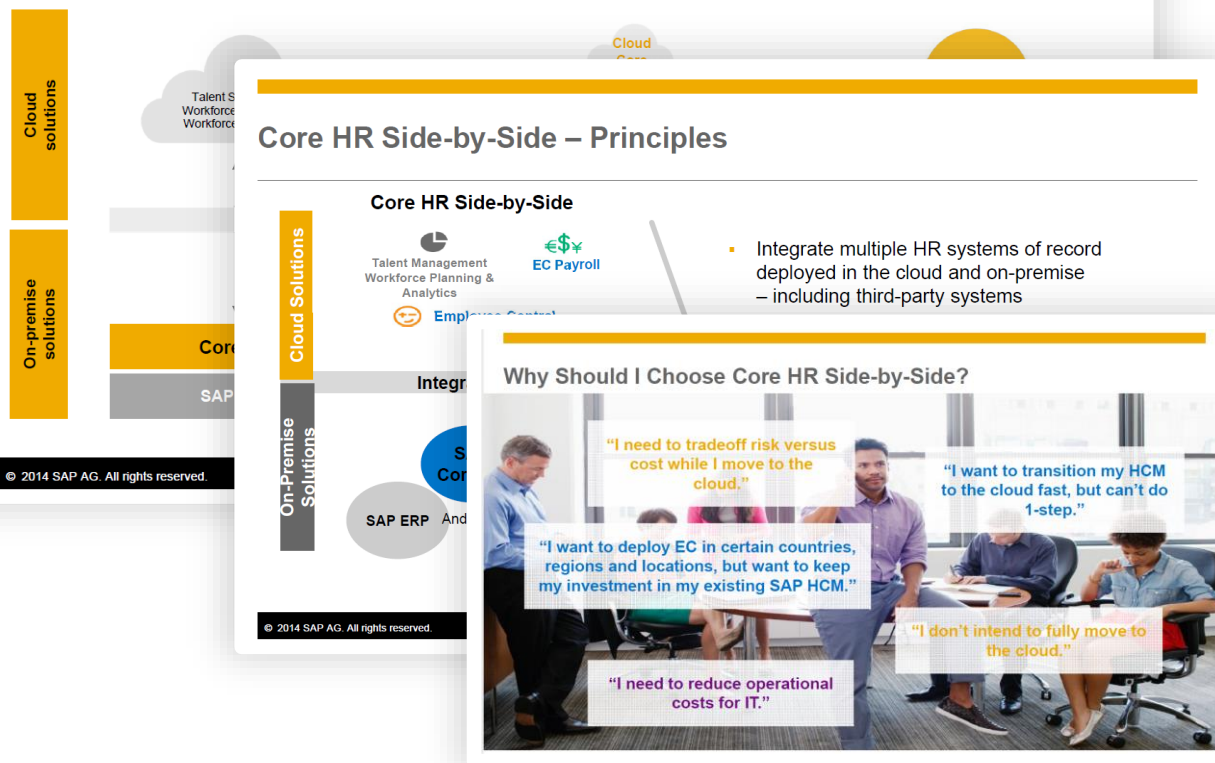
## Cloud Transition Scenarios for SAP Customers

Leverage existing investments, connect with delivered integrations

### Talent Hybrid

### Side-by-Side HCM

### Full cloud HCM



## Core HR Side-by-Side – Principles

### Core HR Side-by-Side

Talent Management  
Workforce Planning &  
Analytics

EC Payroll

- Integrate multiple HR systems of record deployed in the cloud and on-premise – including third-party systems

### Why Should I Choose Core HR Side-by-Side?

"I need to tradeoff risk versus cost while I move to the cloud."

"I want to transition my HCM to the cloud fast, but can't do 1-step."

"I want to deploy EC in certain countries, regions and locations, but want to keep my investment in my existing SAP HCM."

"I need to reduce operational costs for IT."

"I don't intend to fully move to the cloud."





On-Premise HCM



# SAP SuccessFactors



Cloud HCM

Partners



**Core:**

- Personnel Administration
- Organizational Management
- Employee Self-Service
- Manager Self-Service
- Benefits
- Time Management
- Time Evaluation

**Core:**

- Employee Central

**BENEFITS**

**TIME & ATTENDANCE**

**Talent:**

- On-Premise Performance Mgmt.
- On-Premise E-Recruiting
- On-Premise E-Learning
- On-Premise Compensation

**Talent:**

- Performance & Goals
- Recruitment and Onboarding
- Learning
- Compensation
- Succession & Development

# 2014 Annual Conference Messaging

- Then President of SAP SuccessFactors, Mike Ettling gave the keynote
- Change is in the air for HR
- Customers encouraged to leverage Partners for missing functionality including:
  - Benefits
  - Time & Attendance

"Start anywhere, go everywhere."

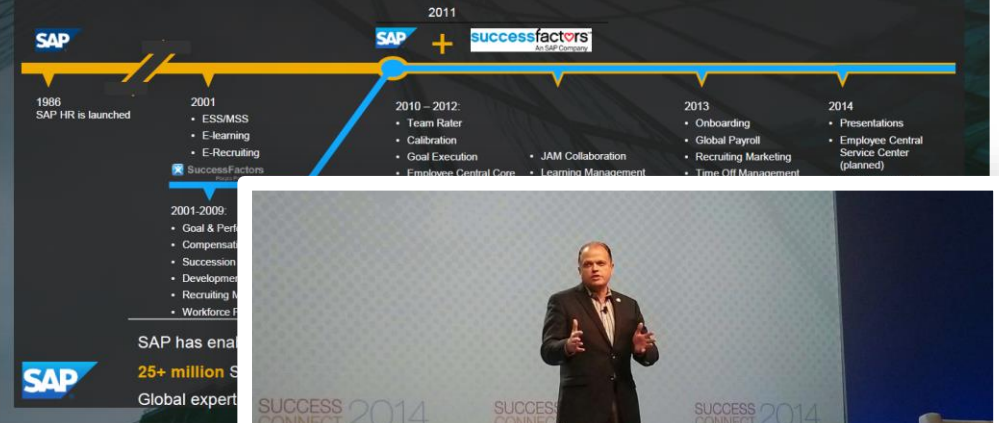
## Assembling the Core HR Ecosystem

Enabling strategic partners and delivering integration



## Commitment to Innovation

28 years of HCM Experience

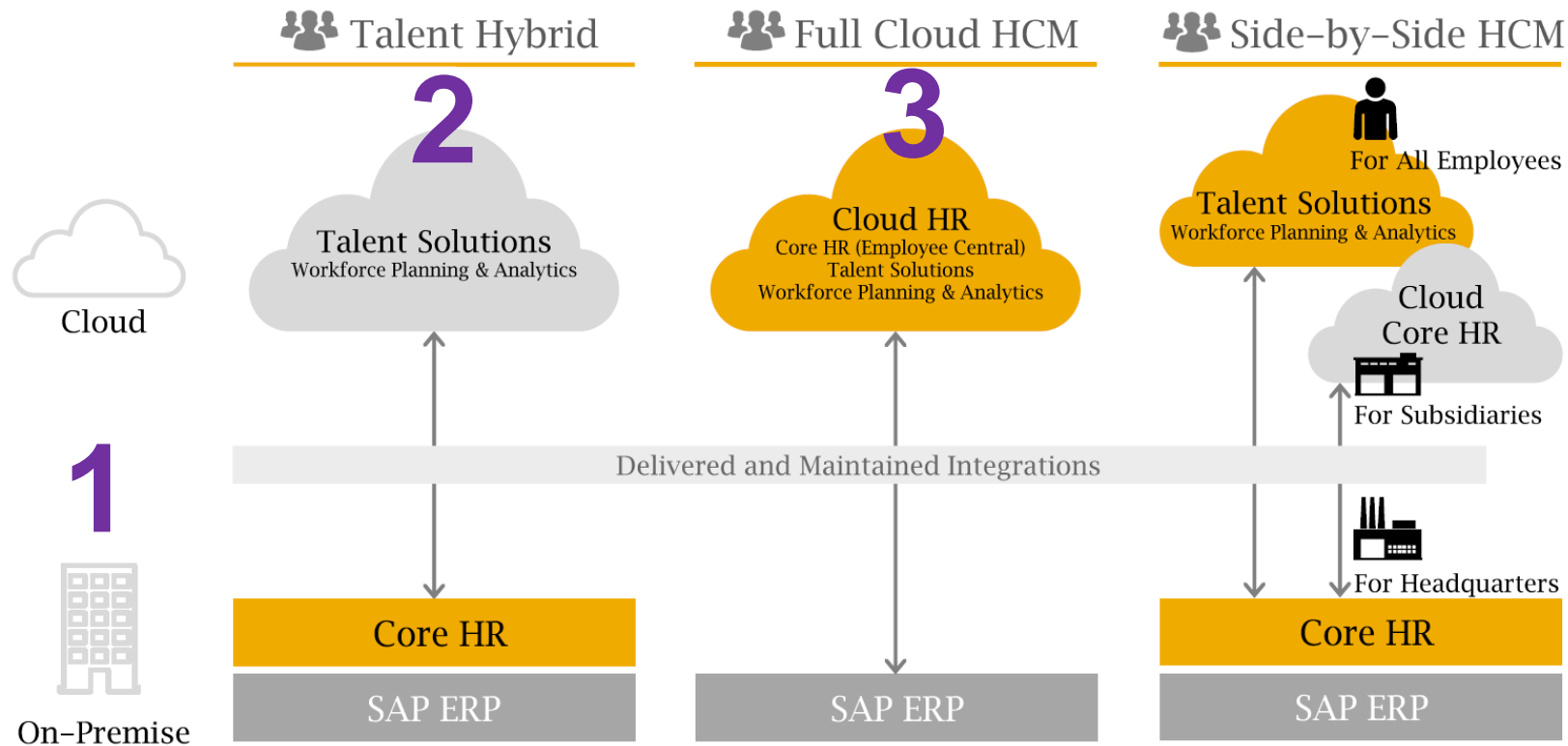


# 2014 – 4 Landscape Options for Customers

## Cloud transition scenarios for SAP customers

Leverage existing investments, connect with delivered integrations

4



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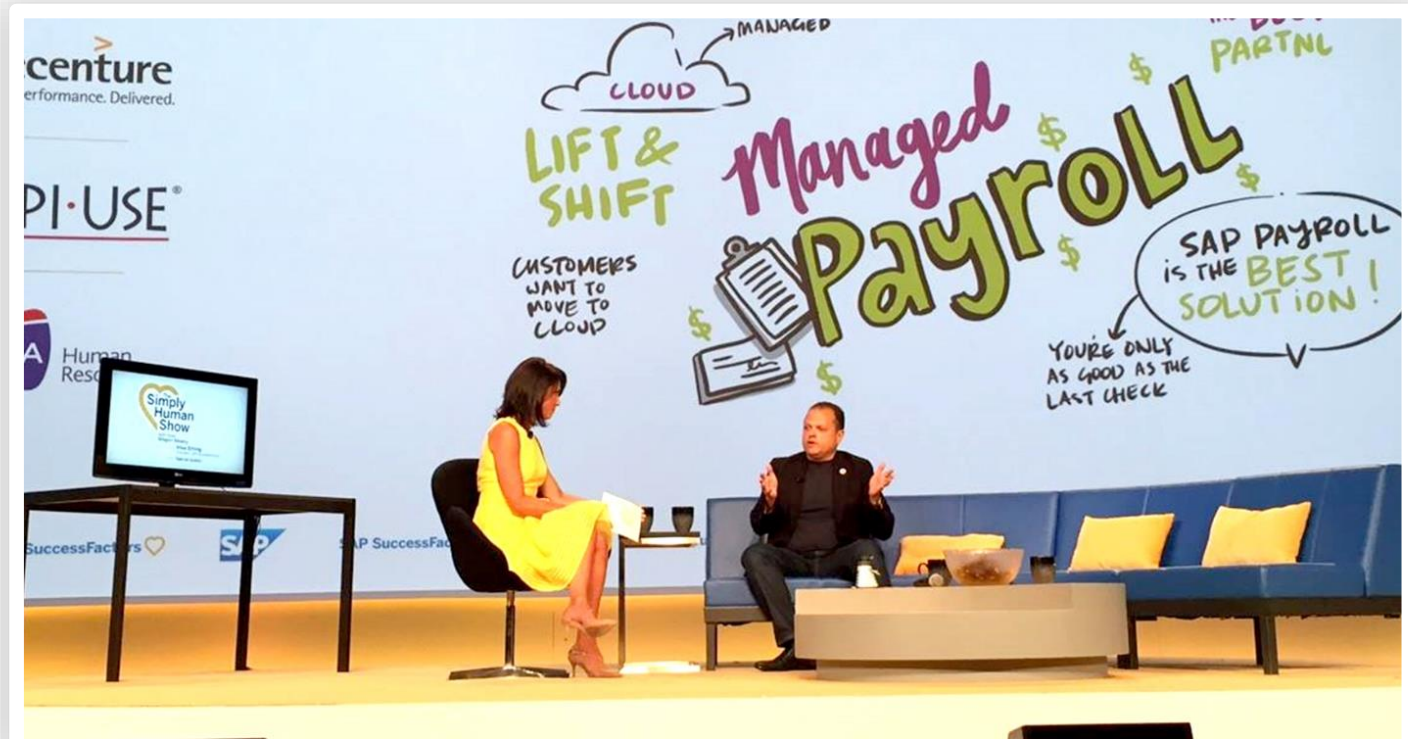
2015



# 2015 Annual Conference Messaging

- SAP SuccessFactors acknowledged customer concerns about moving off their customized SAP Payroll to a standardized Employee Central Payroll in the cloud
- “If it ain’t broke, don’t fix it”
- “Lift & Shift”
- Managed Payroll launched

“Innovation without disruption.”



# 2015 – 5 Landscape Options for Customers

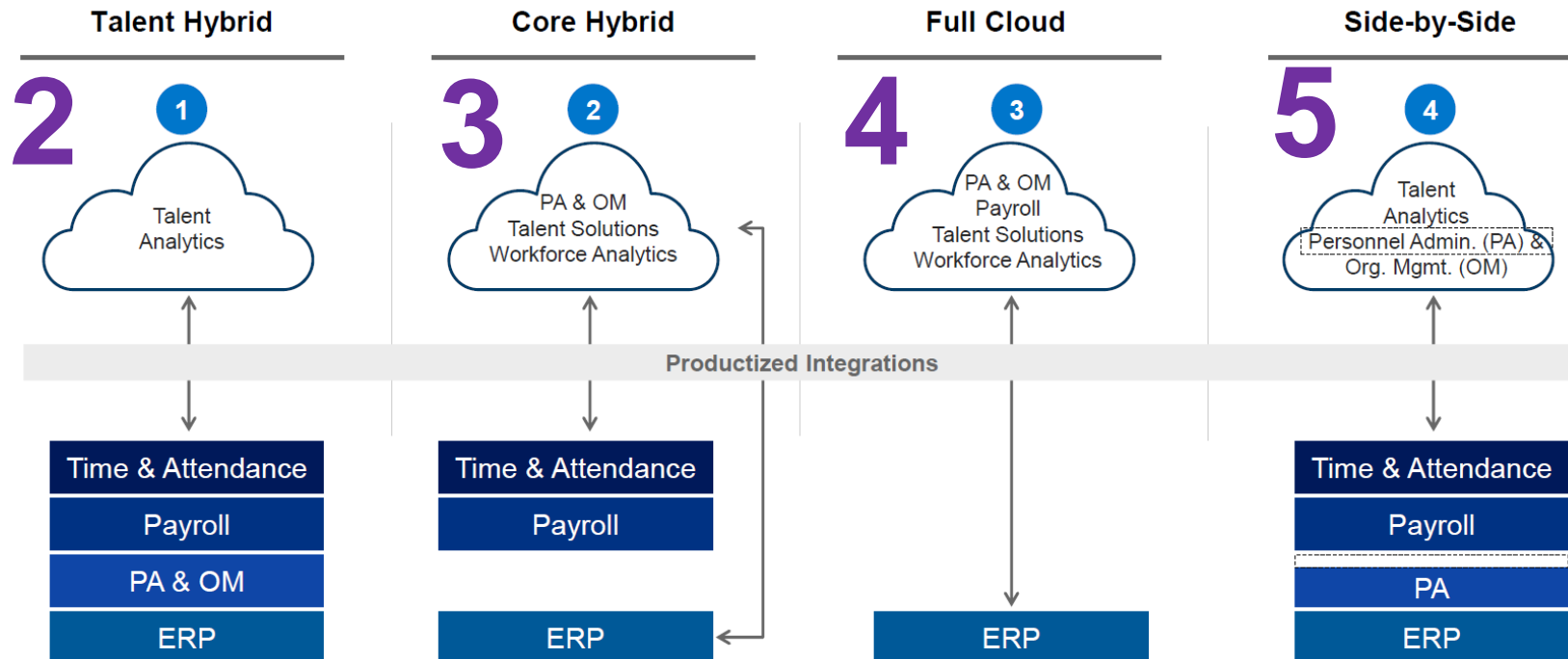
## Cloud integration scenarios for SAP customers

Leverage existing investments, connect with delivered integrations

1



On-Premise



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Customer

17

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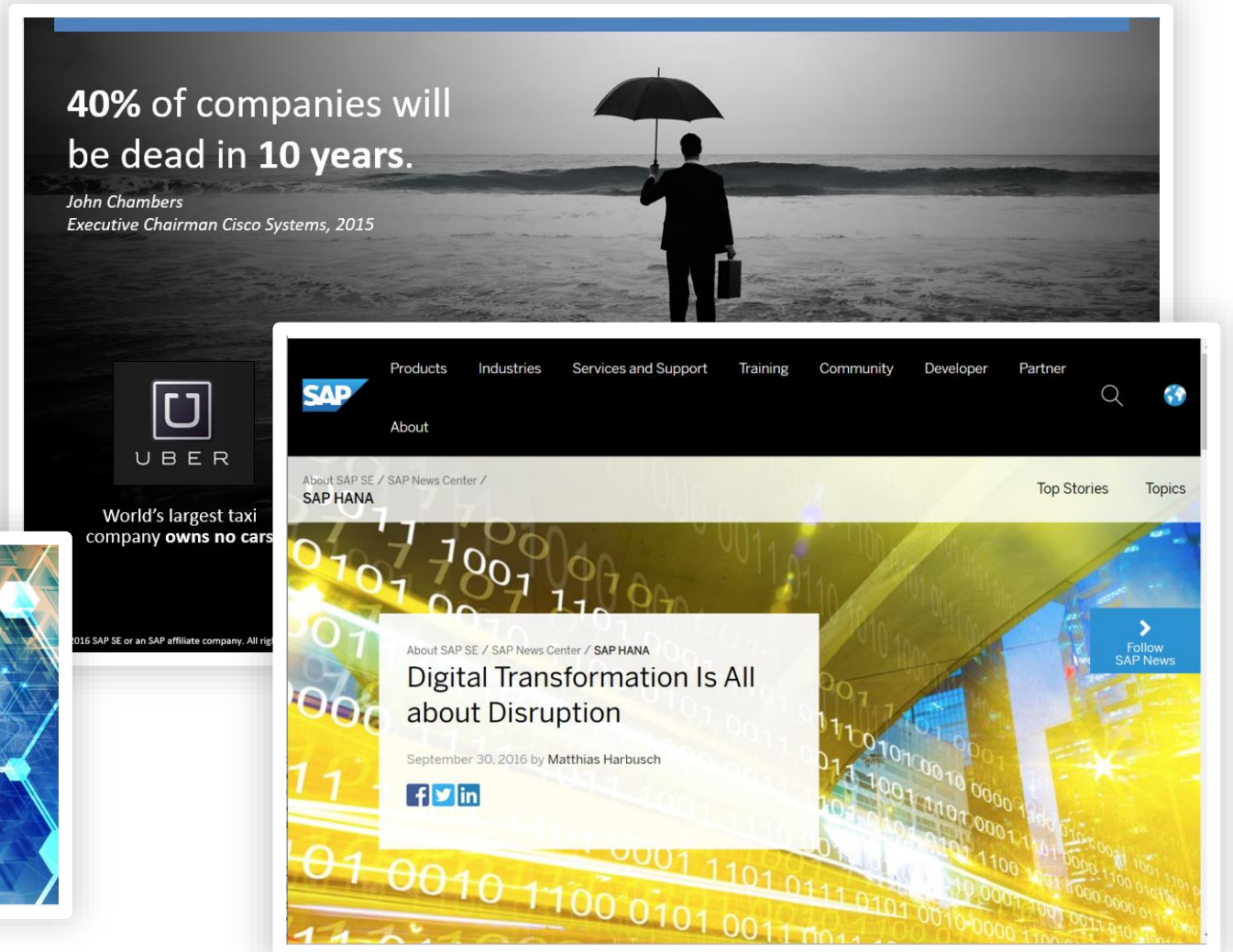
2016

+11,000.00



# The Big News in 2016 - Disruption

- Digital Technologies are disrupting your Business Model
- Standardizing and Reinventing Customer's HR Solutions
- Considering HR-centric and Platform-centric approach on the road to HR transformation



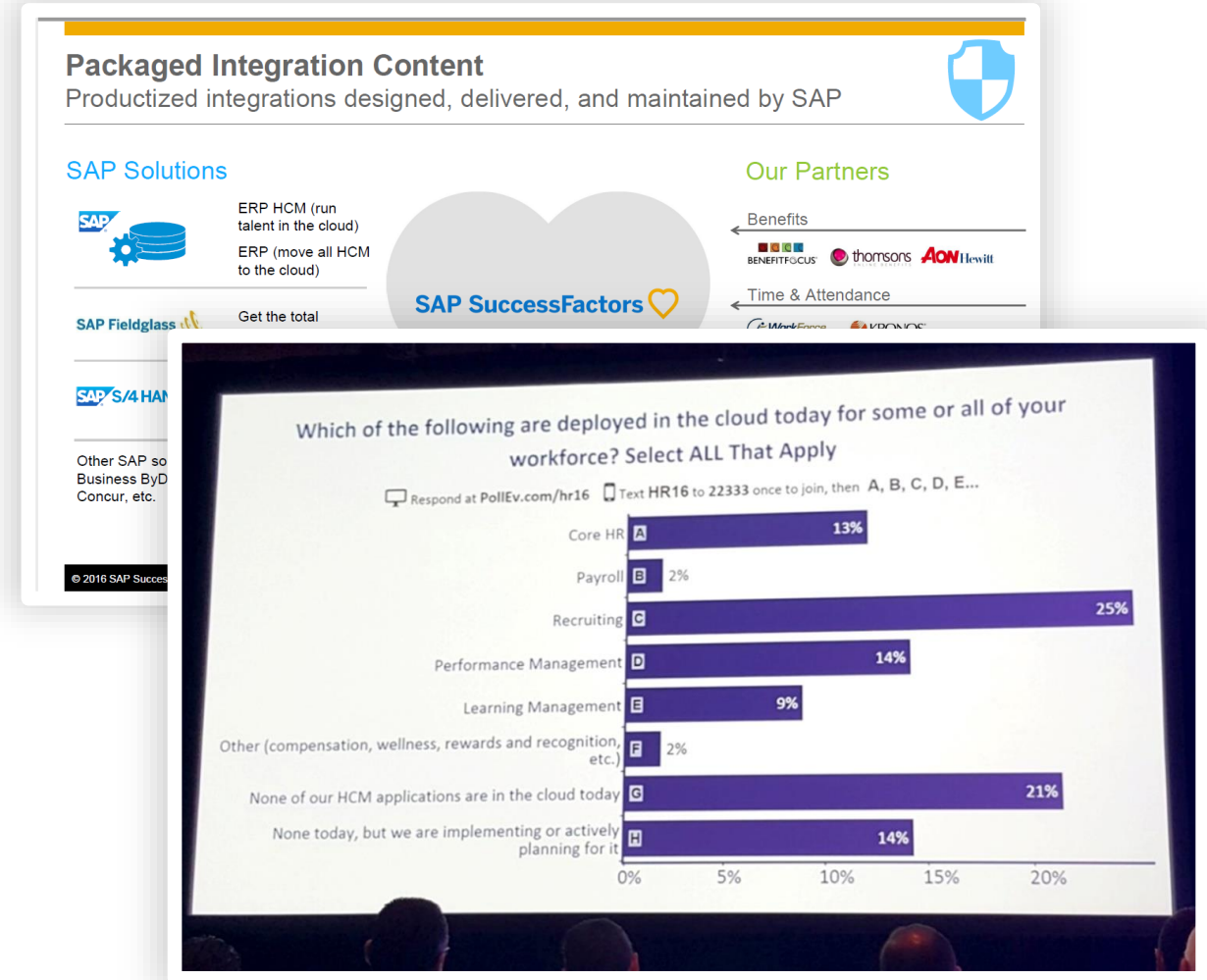
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# 2016 Annual Conference Messaging

- Keynote was focused on how the cloud is disrupting the I in HRIT: Ignore it at your peril
- Partner integrations increased for all modules
- #businessbeyondbias
- Live poll showed movement to the cloud was slowest for payroll and core HR and highest for Recruitment

“Every Customer Cloud Journey Is Different”





On-Premise HCM



# SAP SuccessFactors



Cloud HCM



Partners

**Core:**

- Personnel Administration
- Organizational Management
- Employee Self-Service
- Manager Self-Service
- Benefits
- Time Management
- Time Evaluation

**Core:**

- Employee Central

**Talent:**

- On-Premise Performance Mgmt.
- On-Premise E-Recruiting
- On-Premise E-Learning
- On-Premise Compensation

**Talent:**

- Performance & Goals
- Recruitment and Onboarding
- Learning
- Compensation
- Succession & Development

**Payroll:**

- Payroll



**Payroll:**

- Employee Central Payroll (Hosted Cloud)
- SAP SuccessFactors Managed Payroll (Hosted Cloud)

## BENEFITS



## TIME & ATTENDANCE



## RECRUITING & ONBOARDING



## PAYROLL



**Payroll:**

- Business Process Outsourcing (BPO)

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2017

# The Big News in 2017 – Extensibility

- Keynote was focused on winning in digital transformation and shared cautionary tales of major companies who were left behind because they did not embrace the cloud journey
  - Blockbuster
  - Kodak
  - Borders books

“Don’t get left behind!” and “Are you all in?”



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Danielle Larocca



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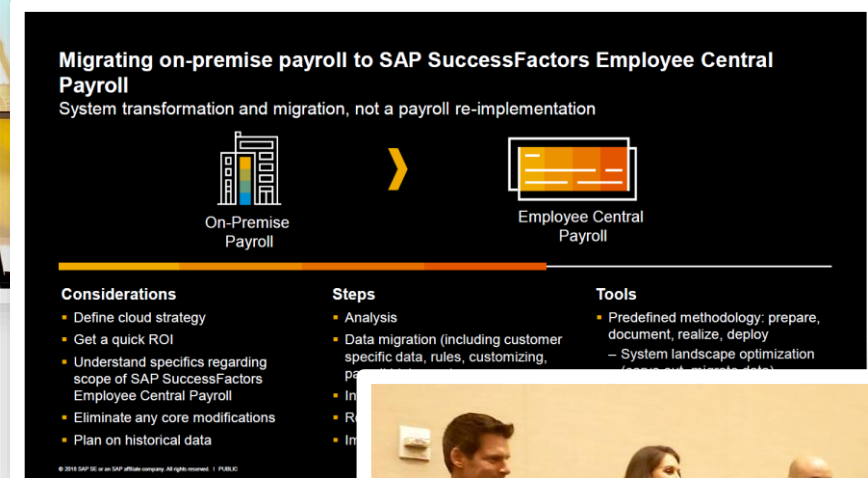
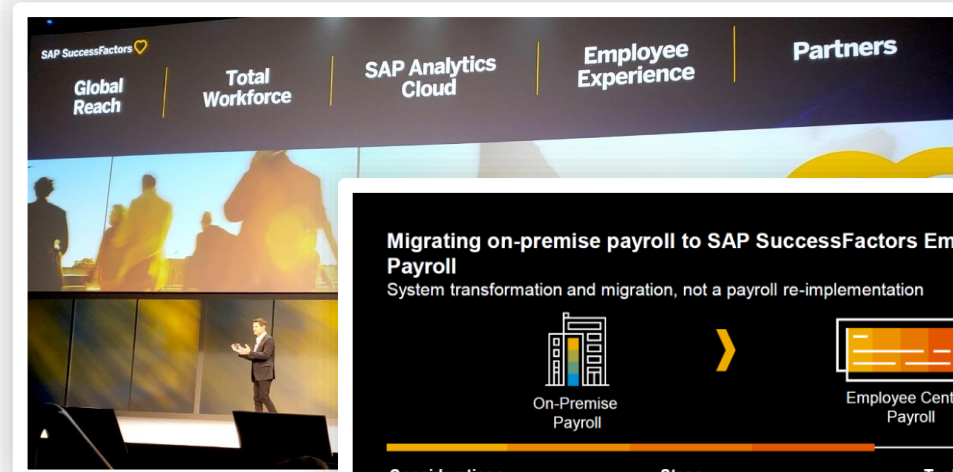
**2018**

# 2018 Annual Conference Messaging

- Attendees got to meet the new leadership team
- Imagine... payroll being invisible and fun
- You do not have to reimplement your Payroll if you move from on-premise to Employee Central Payroll

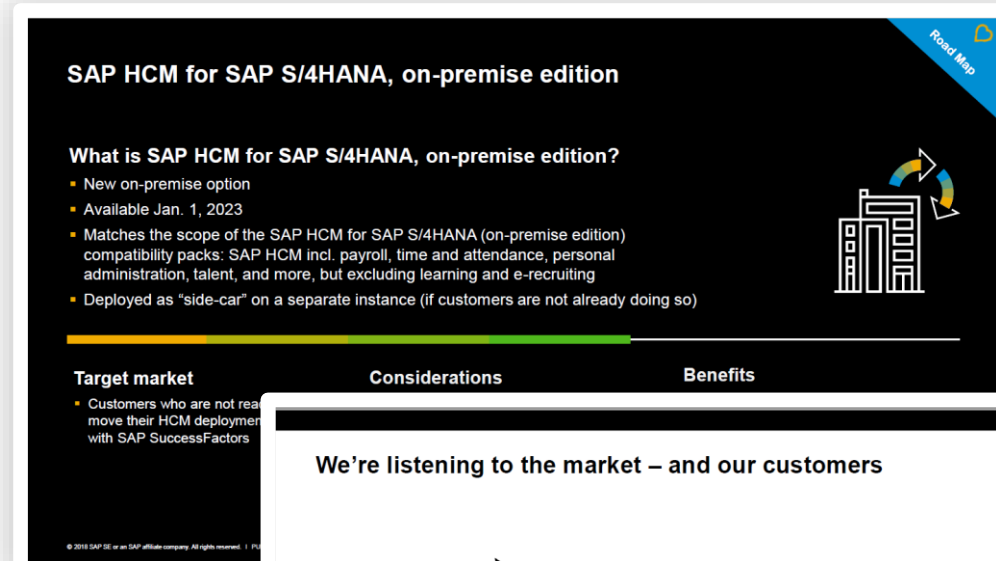
“it is time for a #HumanRevolution...the old ways of working do not work in today’s world”

© Source Danielle Larocca



# The Big News in 2018 – SAP S/4HANA HCM Sidecar

- A new landscape model is launched called S/4HANA HCM Sidecar
- Designed as a bridge for customers who are not ready to fully move to the SuccessFactors cloud
- This option is scheduled to become available in 2023
- Guaranteed support for on-premise SAP HCM until year end 2030 with Side car



**SAP HCM for SAP S/4HANA, on-premise edition**

**What is SAP HCM for SAP S/4HANA, on-premise edition?**

- New on-premise option
- Available Jan. 1, 2023
- Matches the scope of the SAP HCM for SAP S/4HANA (on-premise edition) compatibility packs: SAP HCM incl. payroll, time and attendance, personal administration, talent, and more, but excluding learning and e-recruiting
- Deployed as "side-car" on a separate instance (if customers are not already doing so)

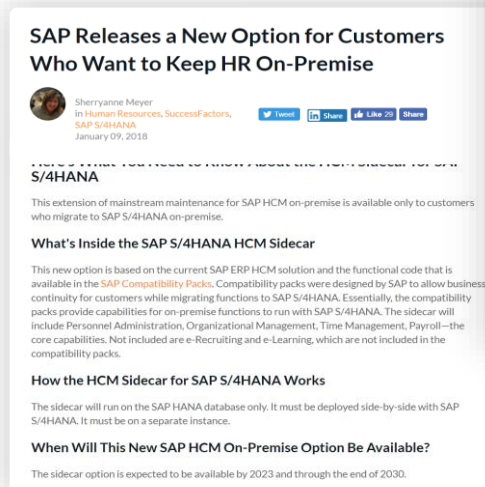
**Target market**

- Customers who are not ready to move their HCM deployment with SAP SuccessFactors

**Considerations**

**Benefits**

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**SAP Releases a New Option for Customers Who Want to Keep HR On-Premise**

Sherryanne Meyer  
in Human Resources, SuccessFactors, SAP S/4HANA  
January 09, 2018

**THIS EXTENSION OF MAINSTREAM MAINTENANCE FOR SAP HCM ON-PREMISE IS AVAILABLE ONLY TO CUSTOMERS WHO MIGRATE TO SAP S/4HANA ON-PREMISE.**

This extension of mainstream maintenance for SAP HCM on-premise is available only to customers who migrate to SAP S/4HANA on-premise.

**What's Inside the SAP S/4HANA HCM Sidecar**

This new option is based on the current SAP ERP HCM solution and the functional code that is available in the SAP Compatibility Packs. Compatibility packs were designed by SAP to allow business continuity for customers while migrating functions to SAP S/4HANA. Essentially, the compatibility packs provide capabilities for on-premise functions to run with SAP S/4HANA. The sidecar will include Personnel Administration, Organizational Management, Time Management, Payroll—the core capabilities. Not included are e-Recruiting and e-Learning, which are not included in the compatibility packs.

**How the HCM Sidecar for SAP S/4HANA Works**

The sidecar will run on the SAP HANA database only. It must be deployed side-by-side with SAP S/4HANA. It must be on a separate instance.

**When Will This New SAP HCM On-Premise Option Be Available?**

The sidecar option is expected to be available by 2023 and through the end of 2030.



**We're listening to the market – and our customers**

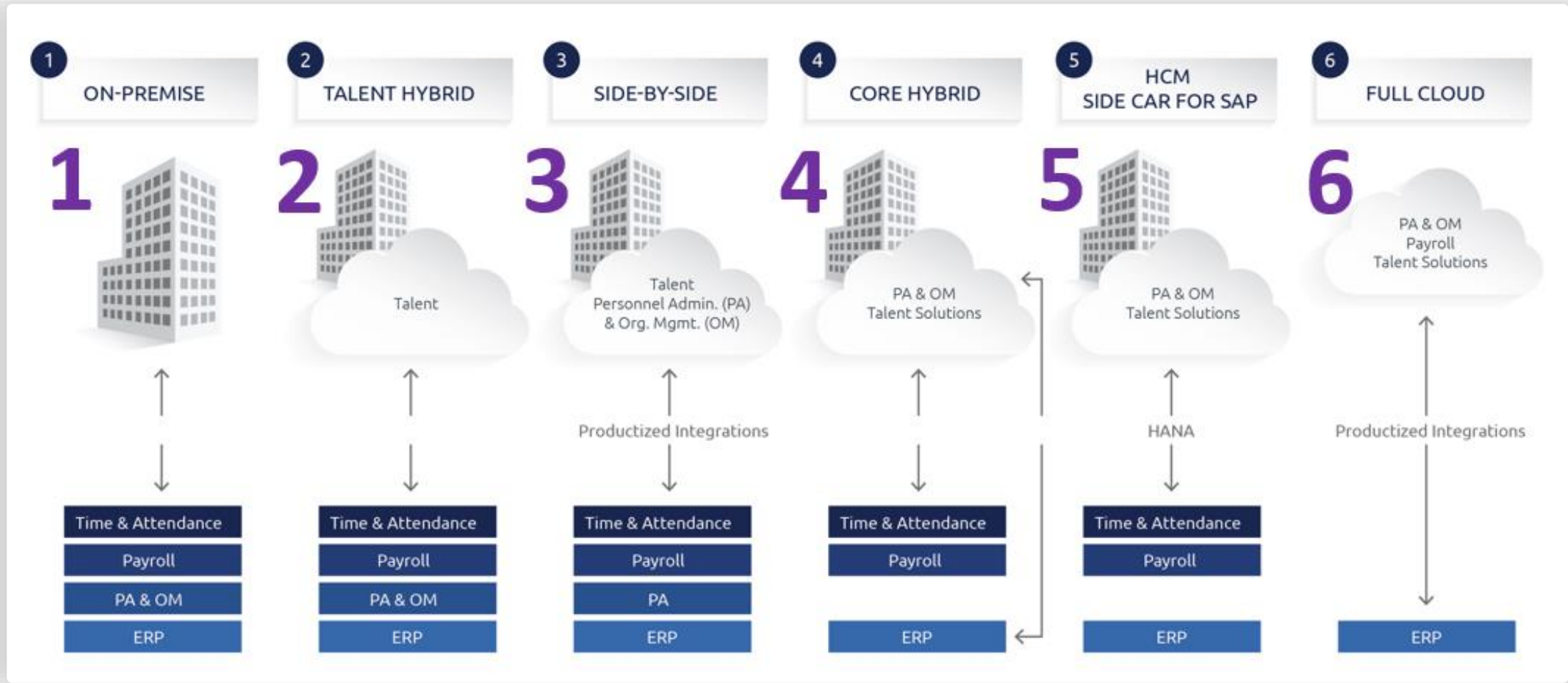
More and more organizations are moving their HCM solutions to the cloud and we continue to focus on SuccessFactors as our digital HCM platform in the cloud. Yet some of our customers desire to keep HCM on-premise for the foreseeable future.

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# 2018 – 6 Landscape Options for Customers





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2019


# The Big News in Early 2019 – SAP is making Investments in both On-Premise and Cloud

- SAP is committed to investing in both on-premise and cloud
- The future is HANA
- Guaranteed support for on-premise SAP HCM until **at least** year end 2025 or **at least** year end 2030 with side-car

SAP is 'Cloud First' but not 'Cloud Only'

### SAP product lines for HCM


Investment direction



**SAP ERP HCM**

Innovation investments focused primarily on **User Experience** and **Localization** across Core HR and Payroll processes.

Mainstream maintenance guaranteed through **at least** 2025 (2030 with side-car).



**SAP SuccessFactors**

**Most innovation** investments are focused here to **re-think and re-imagine** HCM through **quarterly release** cycles.

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2

# Early 2019 Annual Conference Messaging

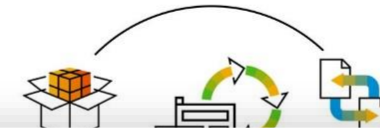
- The Side-car offering now referred to as the SAP Human Capital Management for SAP S/4HANA on-premise edition
- Upgrade2Success
- Digital HR transformation is meeting today's demands while setting the foundation for tomorrow's opportunities and NOT A tactical technology project replacing on-premise with modern cloud technology

## SAP Human Capital Management for SAP S/4HANA on-premise edition

### Key capabilities

#### Product

- Scope matches the S/4HANA Compatibility Pack and the key functionality of SAP ERP HCM
- Based on ERP HCM (E) be supplemented with s based capabilities.
- No major additional func additions or re-architect planned
- Only available for on-pr deployment
- Available in 2023, with r planned until (at least) 2



#### Transition

- Customers will need to run HCM on a separate instance (if have not already done so)

## SAP Human Capital Management for SAP S/4HANA on-premise edition

A new on-premise option for customers leveraging SAP ERP HCM



**Continuity** and investment protection for HCM on-premise customers, with maintenance support planned until 2030

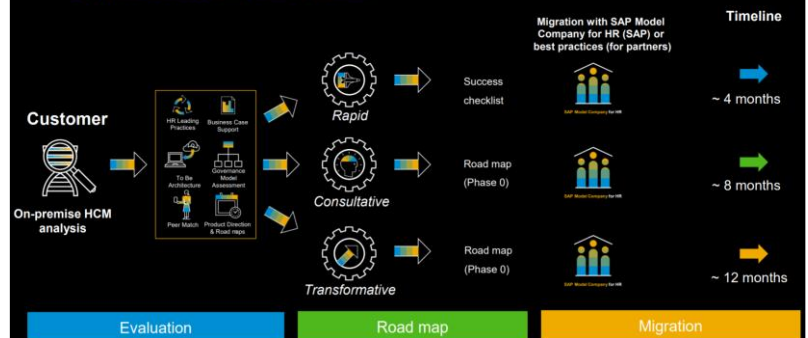
Solution will run on **SAP HANA database** only

Solution will be based on SAP ERP HCM with **optimizations and selected**

We see this option fully move to Succ

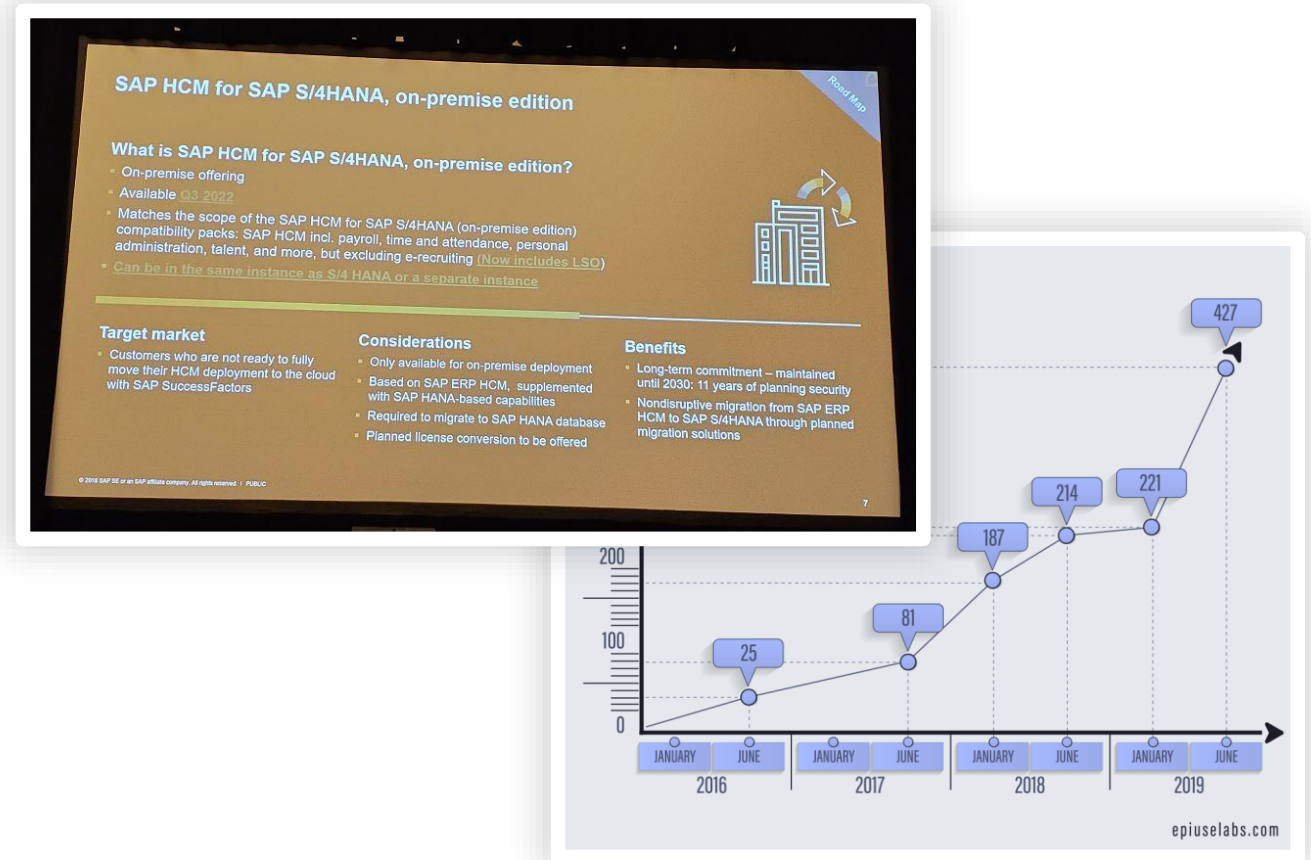
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## 5 Stick to the plan Upgrade2Success migration approach



# Major changes for SAP Payroll Clients announced at SuccessConnect Las Vegas September 2019

- Carve out no longer required - SAP Human Capital Management for SAP S/4HANA on-premise edition - '11 More Years of On-Premise SAP Payroll'
- The number of Employee Central Payroll customers doubled from 2018 to 2019
- SAP has changed direction on Time Management in SuccessFactors
- It's easier than ever before to move from on-premise Payroll to EC
- Additional licensing model added





# Marketplace Numbers SAP SuccessFactors (Sept, 2019)



**Cloud**

## Customers Overall

2016

Q3 4,900 Customers

2017

Q3 6,200 Customers

2019

Q1 6,500 Customers

## Employee Central

2014

Q1 333 Customers

2015

Q1 660 Customers

2016

Q1 1,118 Customers

Q4 1,300 Customers

2017

Q1 1,400 Customers

Q4 1,700 Customers

2018

Q1 2,400 Customers

2019

Q1 3,200 Customers

Q2 3,300 Customers

Q3 3,400 Customers

## Employee Central Payroll

2016

25 Customers

2017

Q2 81 Customers

Q4 118 Customers

2018

Q1 187 Customers

Q4 214 Customers

2019

Q1 221 Customers

Q3 427 Customers

(45 Countries Supported)

## SuccessFactors Talent

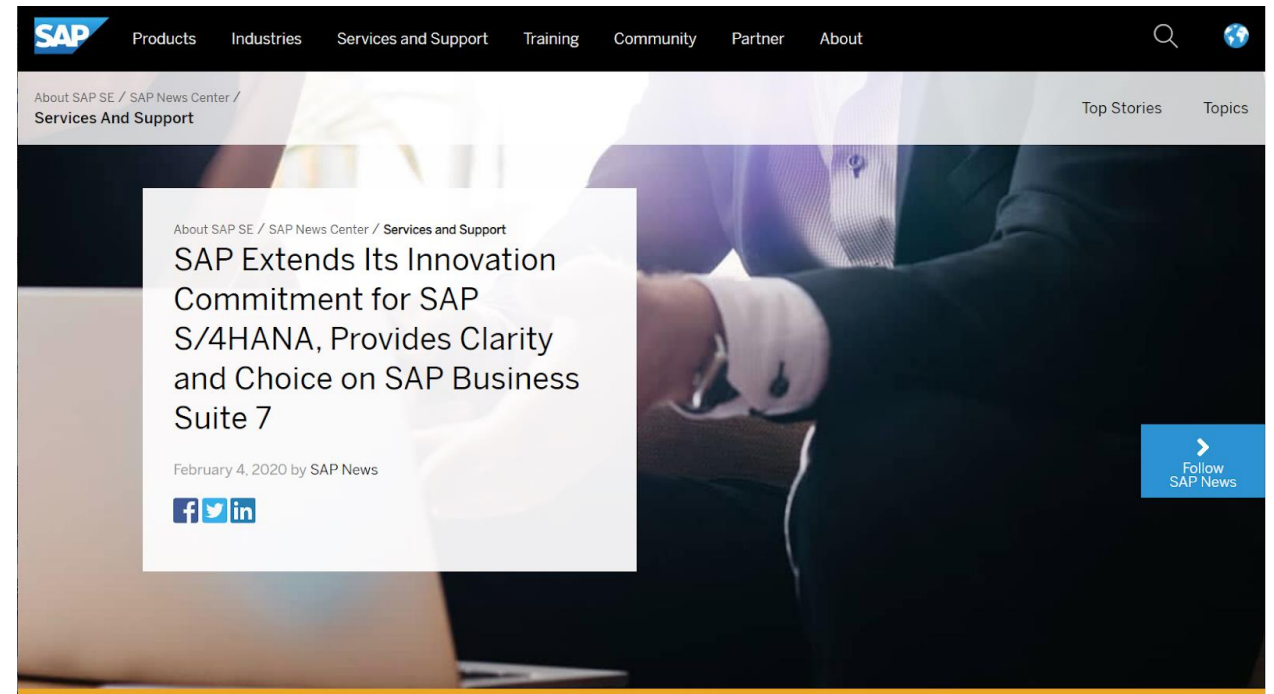
2019 Q3 5,000

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2020

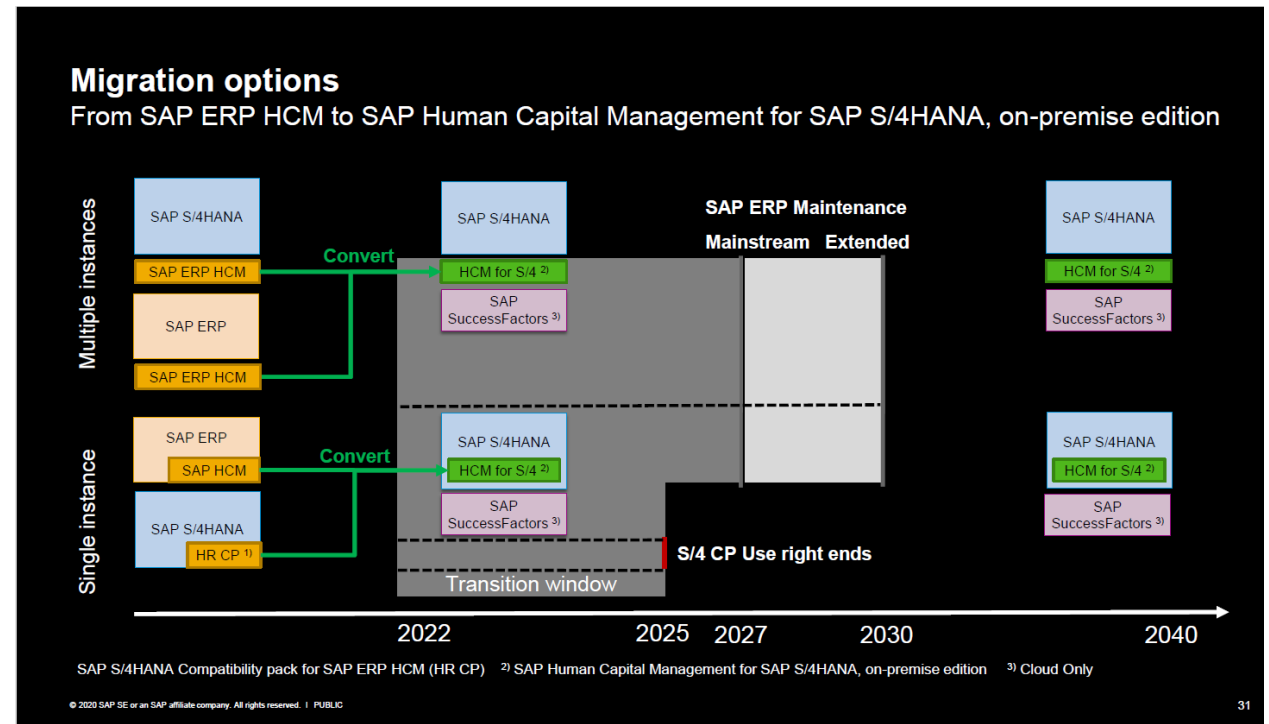
# 2020 - SAP Extends Its Innovation Commitment for SAP

- On [February 4th, 2020](#) SAP announced a maintenance commitment for SAP S/4HANA until the end of 2040.
- At the same time, SAP promised to provide mainstream maintenance for core applications of SAP Business Suite 7 software\* until the end of 2027 followed by optional extended maintenance until the end of 2030.



# Ralf Wagner shares what this means for HCM

- SAP blog [February 17th](#). This blog included an updated diagram that shows how long customers can stay on premise and it has been updated until 2040 as shown below.
- Customers who want to continue to use the SAP ERP Human Capital Management (SAP ERP HCM) beyond 2027, will have an extended maintenance option, available beginning in 2028, until the end of 2030 for a premium of two percent above existing maintenance prices.



SAP extended date by 2 additional years for mainstream maintenance until 2027




# The Journey and Evolution from On-Premise SAP to SuccessFactors

	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Big News</b>	Moving to the Cloud	Talent Hybrid Model	Side by Side Model	Managed Payroll offering	Disruption	Extensibility	HANA Sidecar Offering	SAP is making Investments on both On-Premise and Cloud	SAP extended date by 2 additional years
<b>Landscape Options</b>	2	3	4	5	5	5	6	6	6
<b>Messaging</b>	HR's Changing: Are you ready?"	Now is the time for a digital transformation	Start Anywhere, Go Everywhere	Innovation without Disruption	Every customer cloud Journey is Different	Don't Get Left Behind	It's Time for a HR Revolution	SAP is Cloud First but not Cloud Only	People experience matters

# SAP SuccessFactors has a new CEO

YouTube

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The Next Chapter for SAP SuccessFactors

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Message More...

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Jill Popelka was recently named President of SAP SuccessFactors. As a seasoned business leader, Jill is stepping into this new role with an expertise in the HR technology space, a passion for using technology to solve the most pressing workforce challenges, and a keen focus on delivering customer success. She previously held global leadership roles within SAP SuccessFactors as Chief Operating Officer and Head of Asia Pacific & Japan. Hear about her vision for the SAP SuccessFactors business and what the future holds for human experience management (HXM). Learn more about the SAP SuccessFactors HXM Suite: <https://www.sap.com/products/human-re...>

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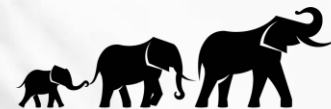
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