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

Danielle Larocca, SAP Mentor and SVP Human Capital Management Solutions

A MEMBER OF groupelephant.com™ BEYOND CORPORATE PURPOSE

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The journey from on-premise SAP-HCM to SuccessFactors

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Danielle Larocca

SVP Human Capital Management

EPI-USE Labs

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.

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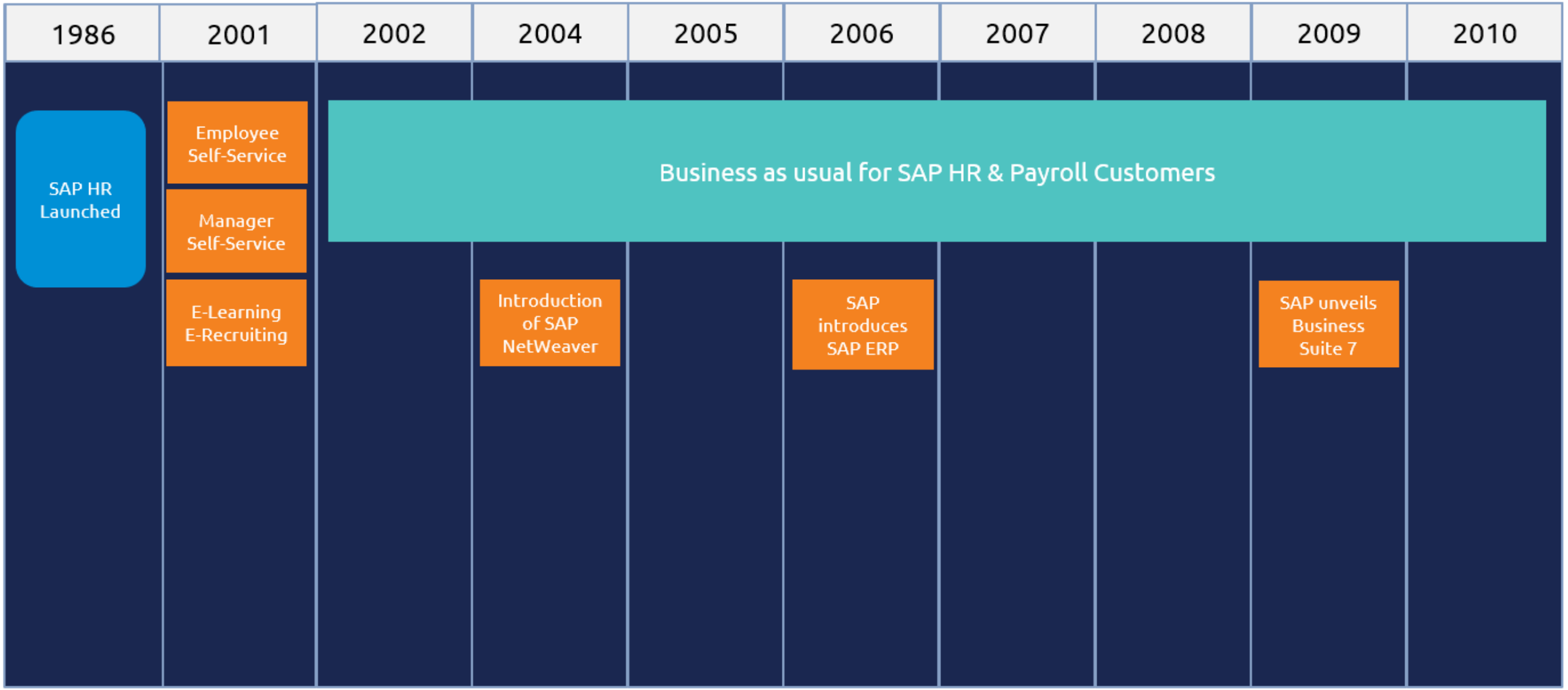
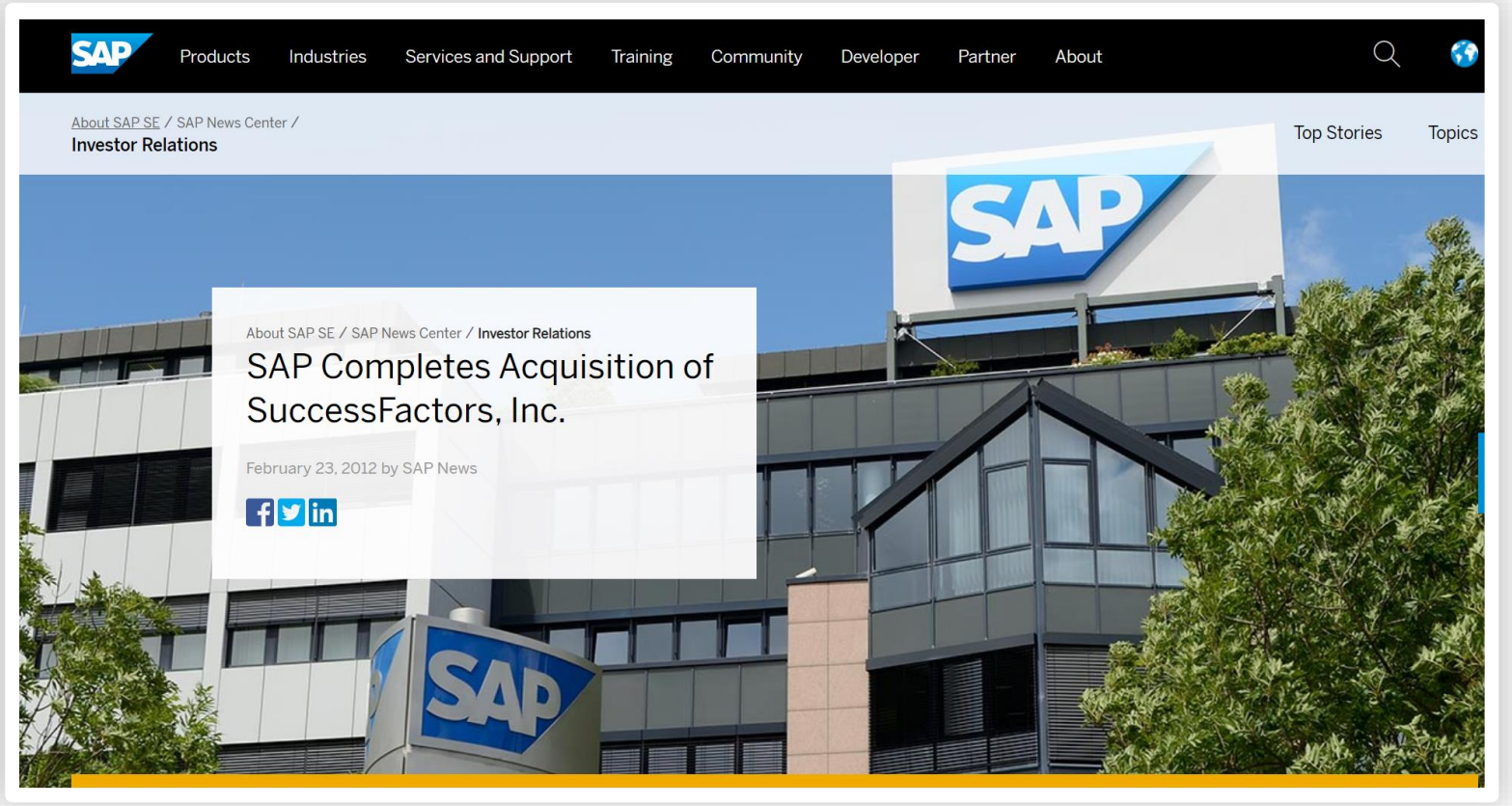
The History of SAP History of SAP HR and Payroll



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



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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

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TIME & ATTENDANCE

WorkForce Software

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

Reimplementation

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

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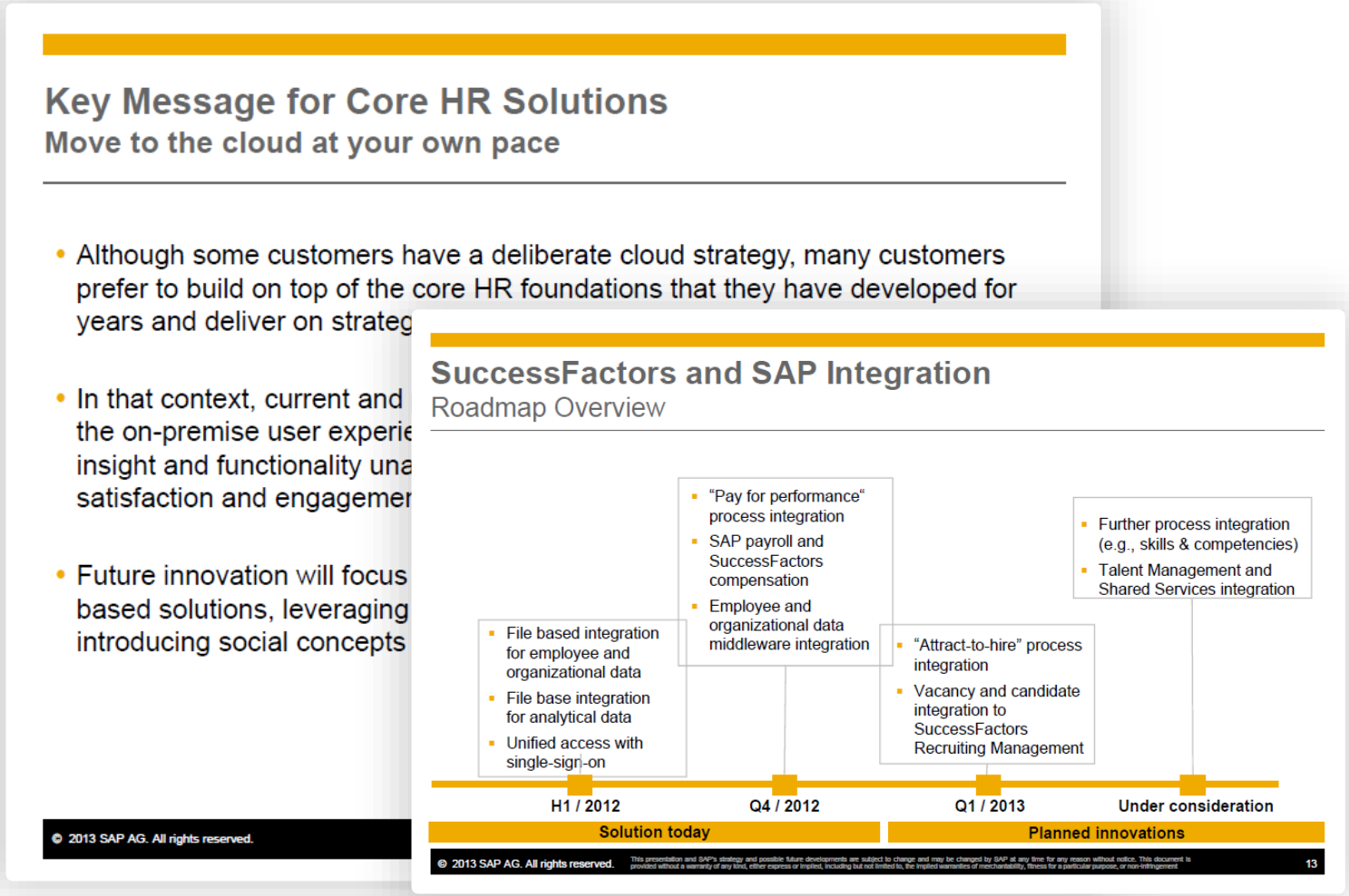
2012 Annual Conference Messaging

- 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

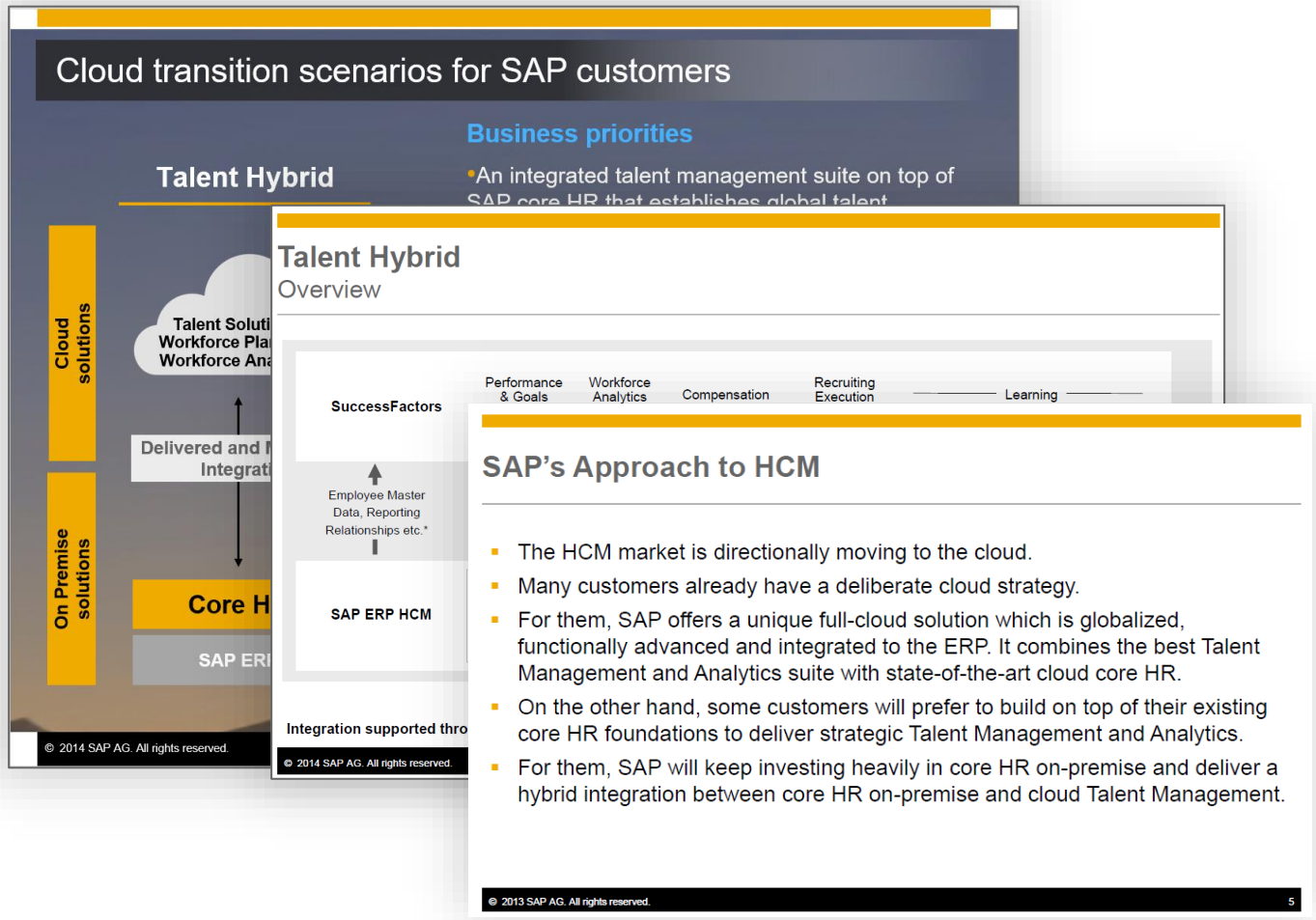
"HR's Changing: Are you ready?"



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)



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2013 – 3 Landscape Options for Customers

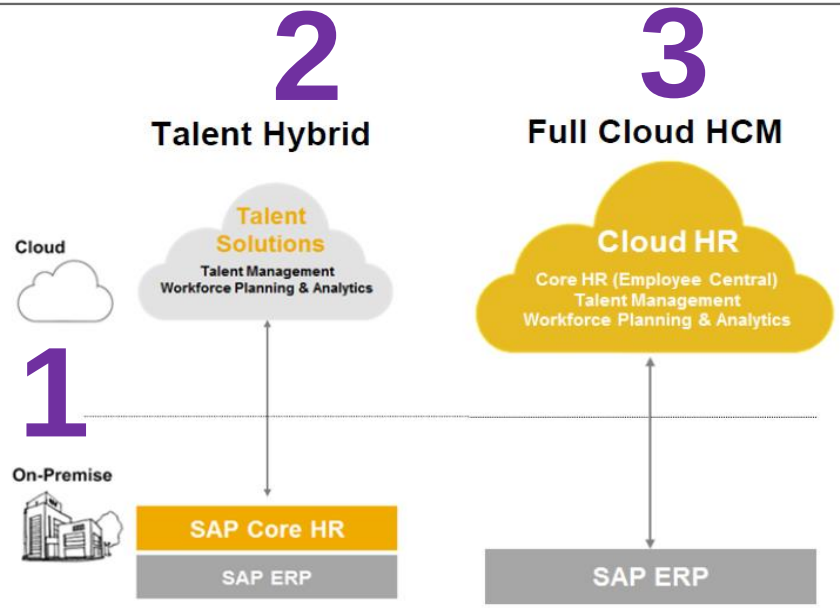
James Shares the Deployment Options

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



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2013 Annual Conference Messaging

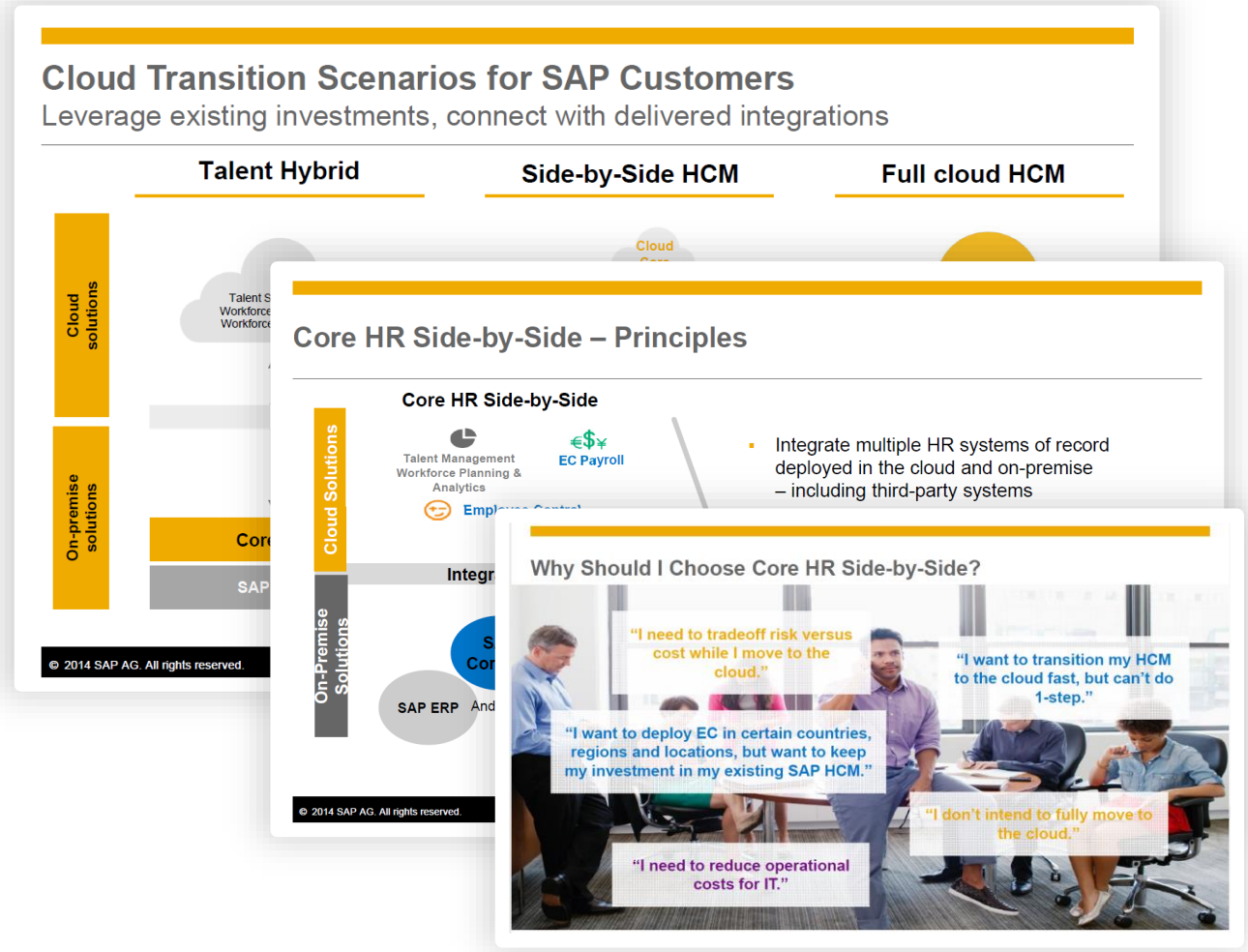
- Customers were encouraged to begin their journey to the cloud
- On-Premise Core HR UX Renovation
- SuccessFactors and SAP Integration strategy

"Now is the time for a digital transformation"

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



2014

SAP On-Premise HCM

SAP SuccessFactors Cloud HCM

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
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Talent:
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- Succession & Development

Partners

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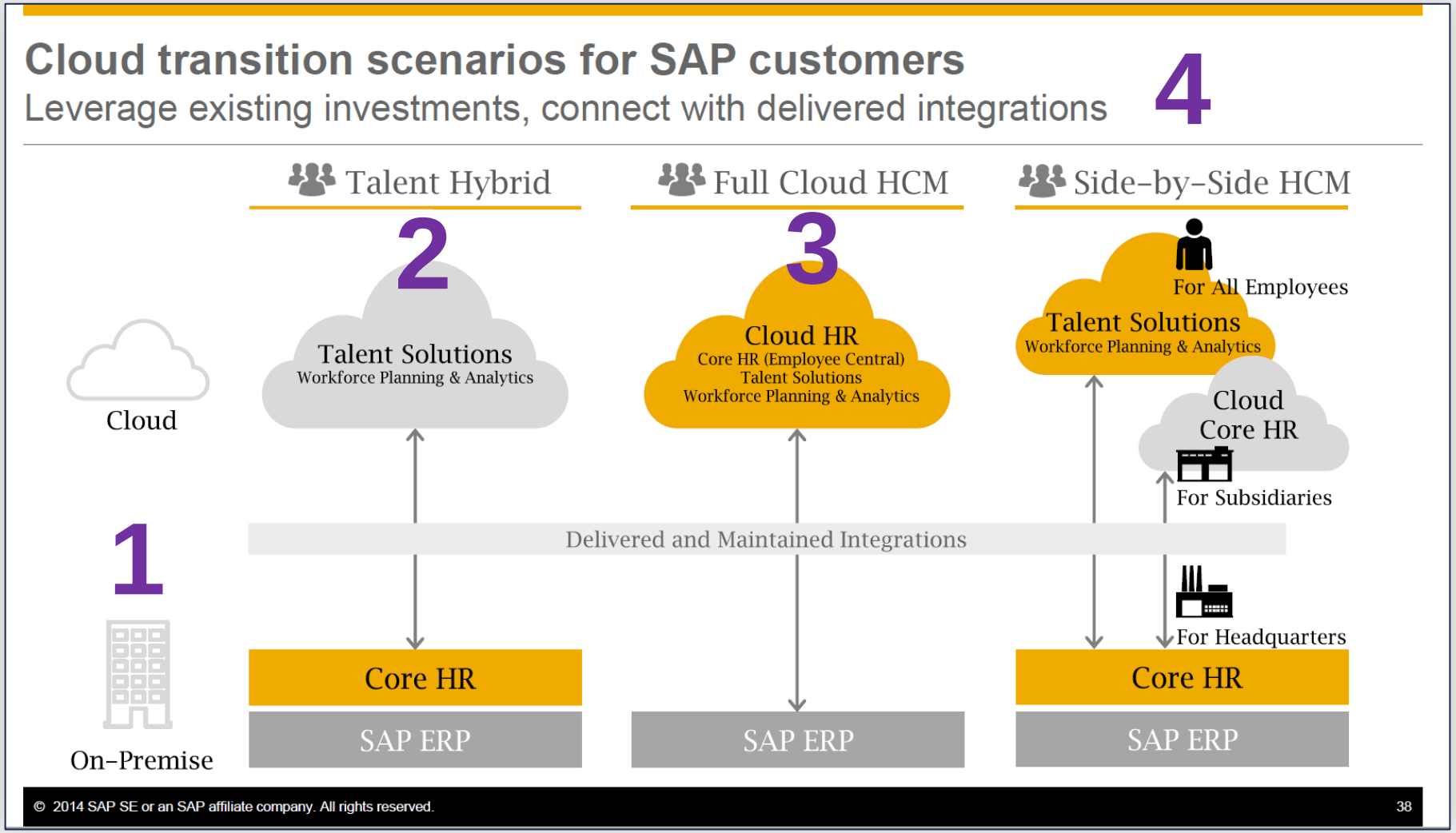
2014 Annual Conference Messaging

- 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."

2014 – 4 Landscape Options for Customers



2015

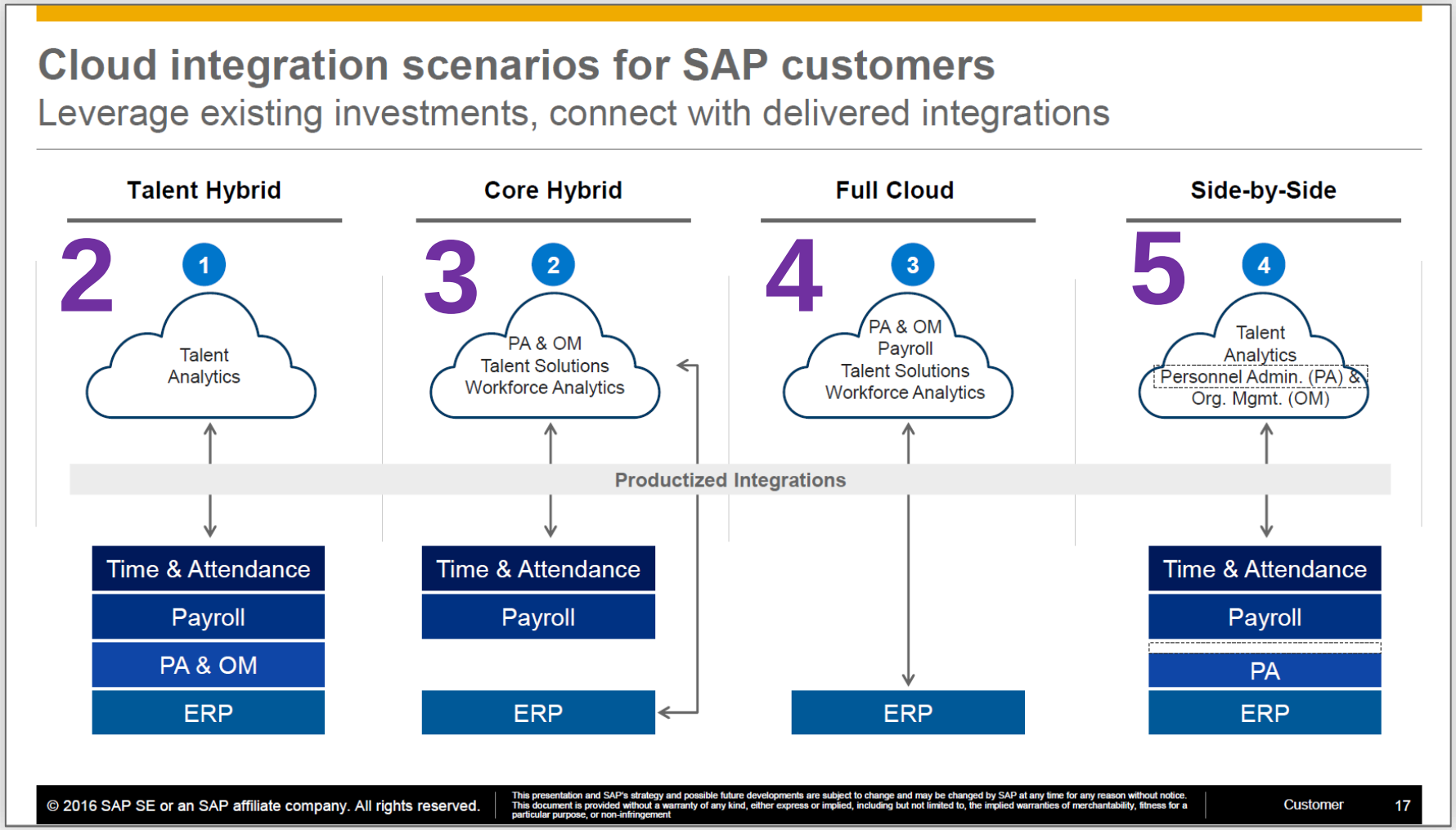
2015 Annual Conference Messaging

- 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

1

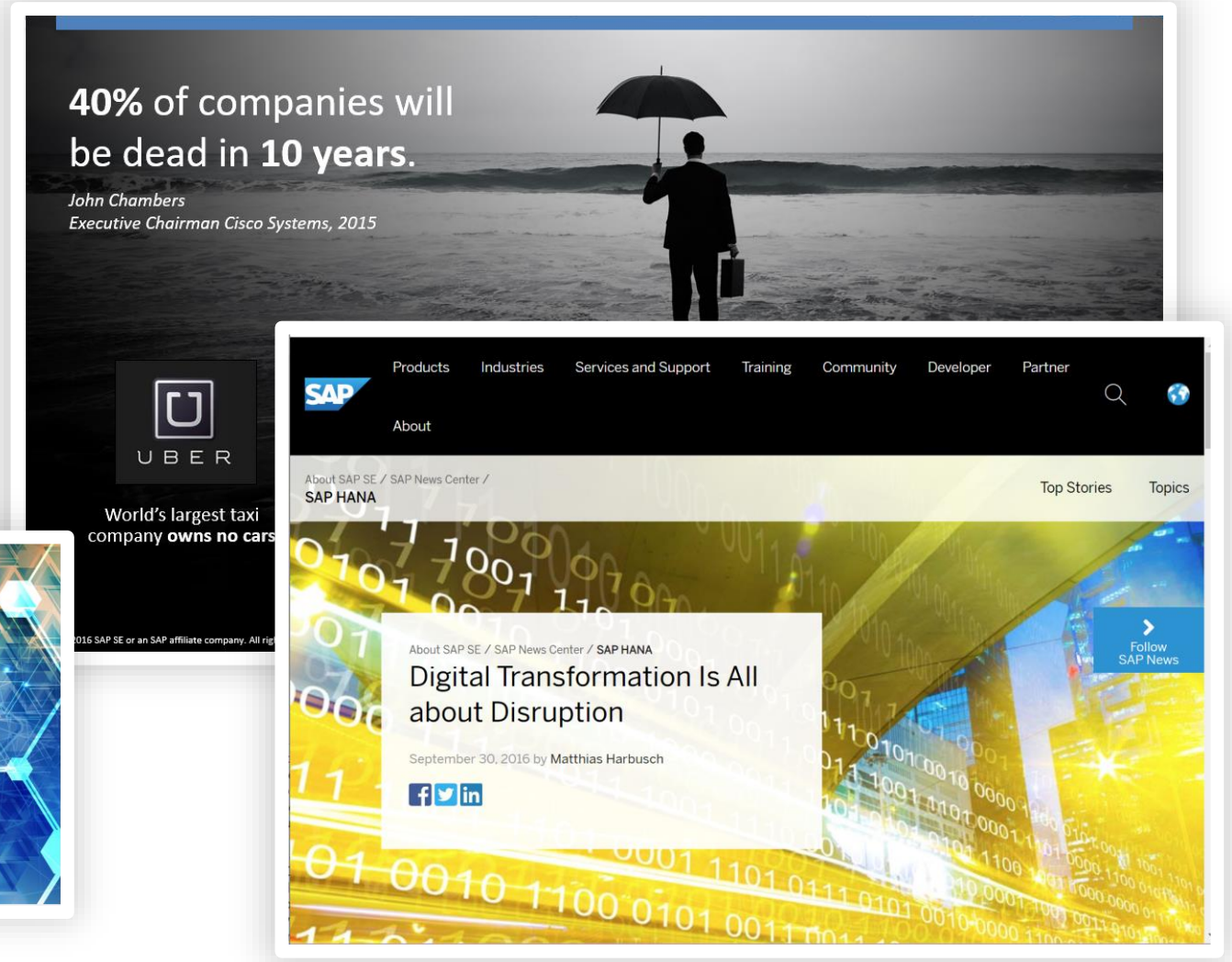


On-Premise

2016

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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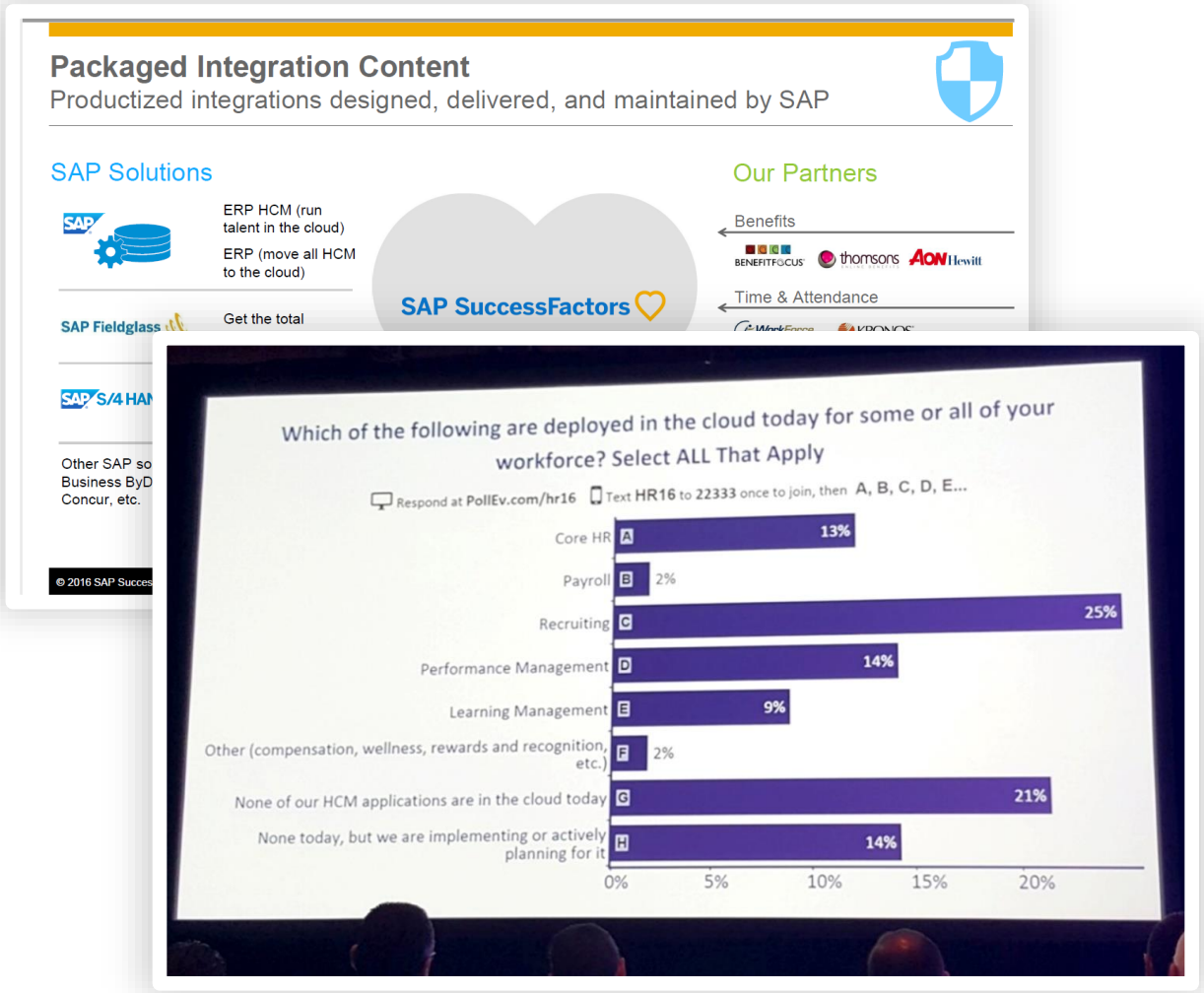
2016 Annual Conference Messaging

- 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"



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2016

SAP On-Premise HCM

SAP SuccessFactors Cloud HCM

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Reimplementation

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

Payroll:
- Business Process Outsourcing (BPO)

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WorkForce Software KRONOS

RECRUITING & ONBOARDING

CEB DocuSign solique broadbean eQuest PeopleAnswers First Advantage KeneXa

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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

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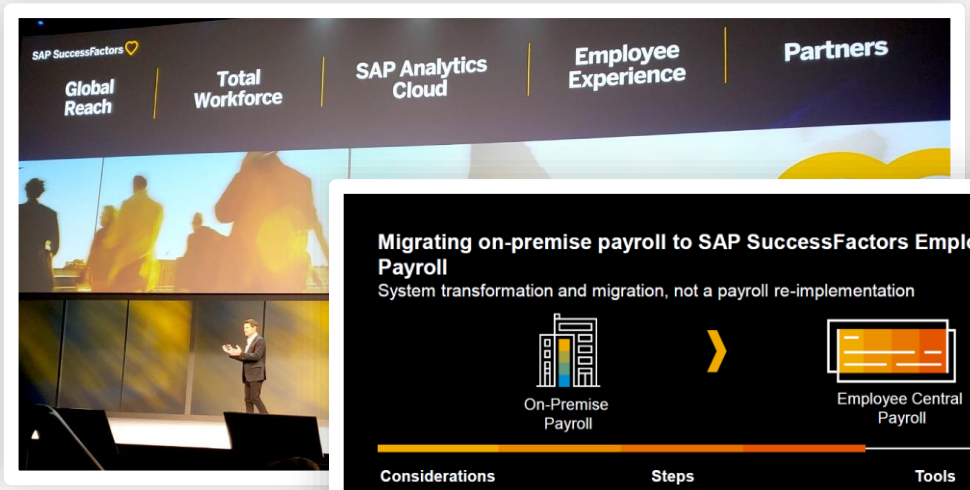
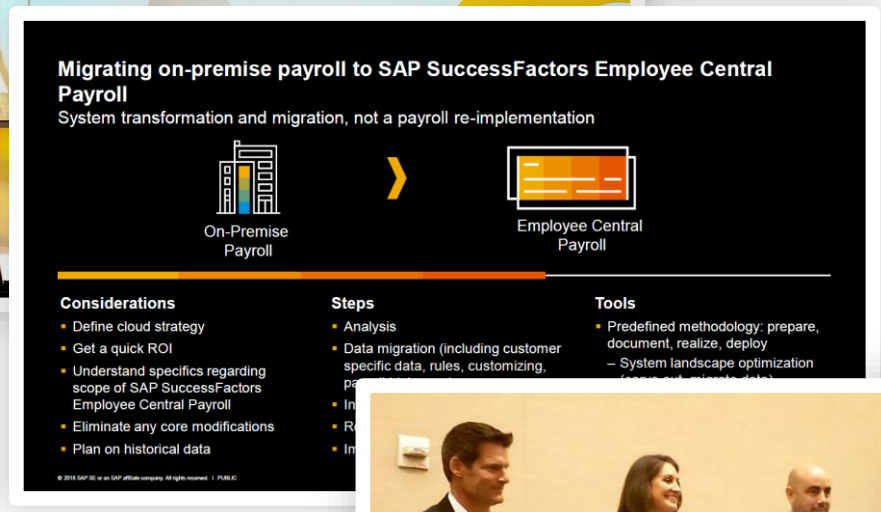
"Don't get left behind!" and "Are you all in?"

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





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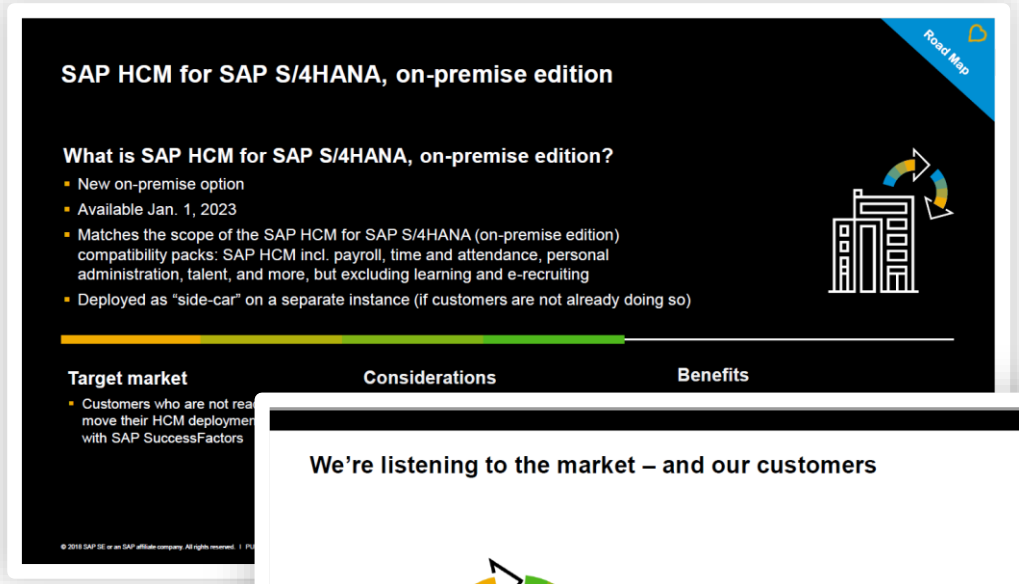
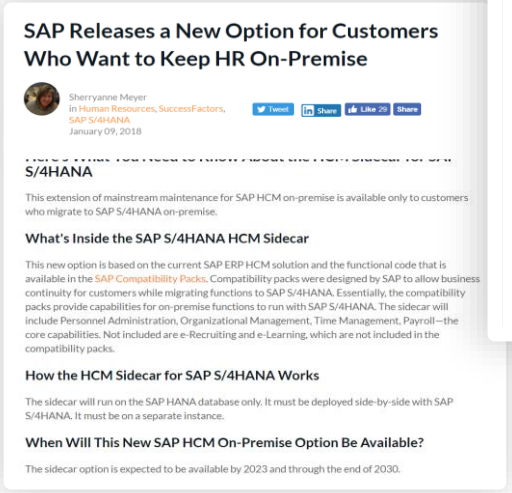
"it is time for a #HumanRevolution…the old ways of working do not work in today's world"

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 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

S/4HANA

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.

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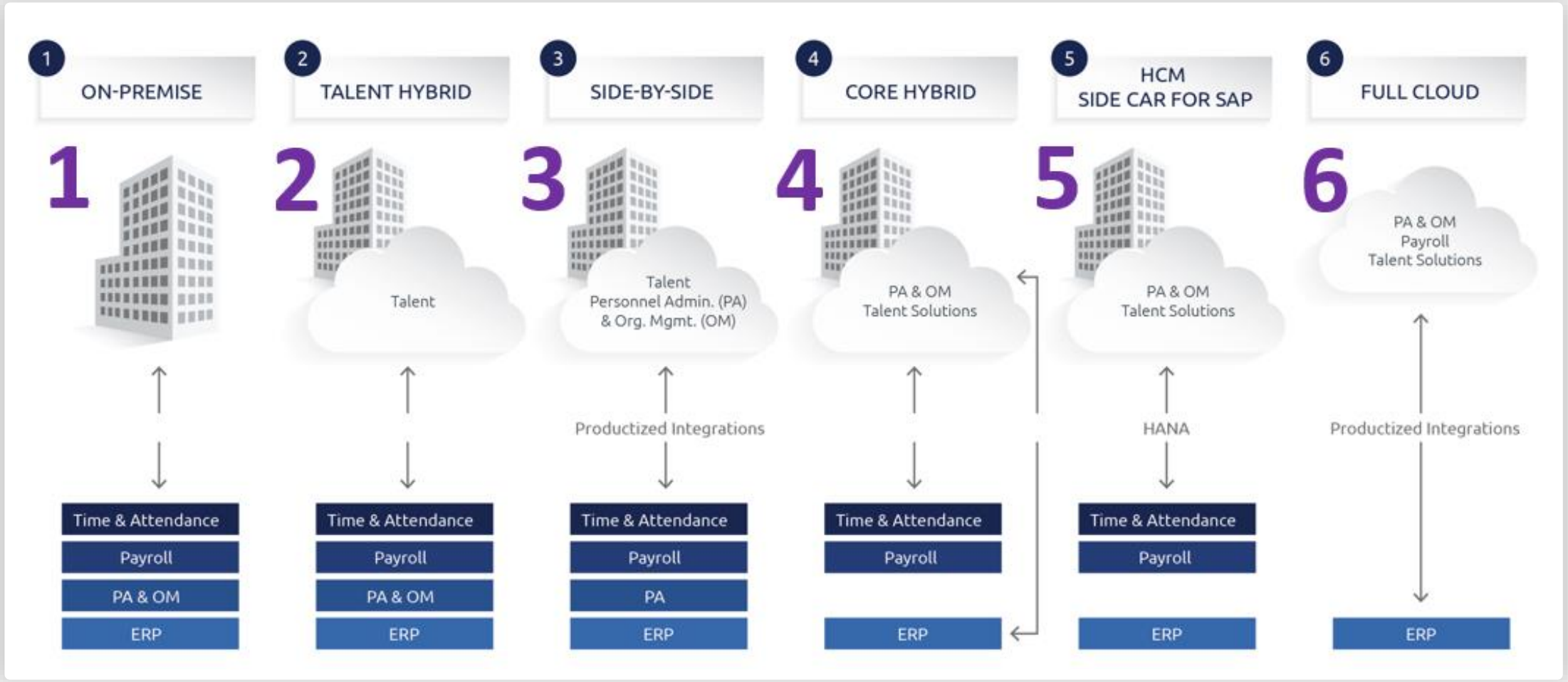
2018 – 6 Landscape Options for Customers

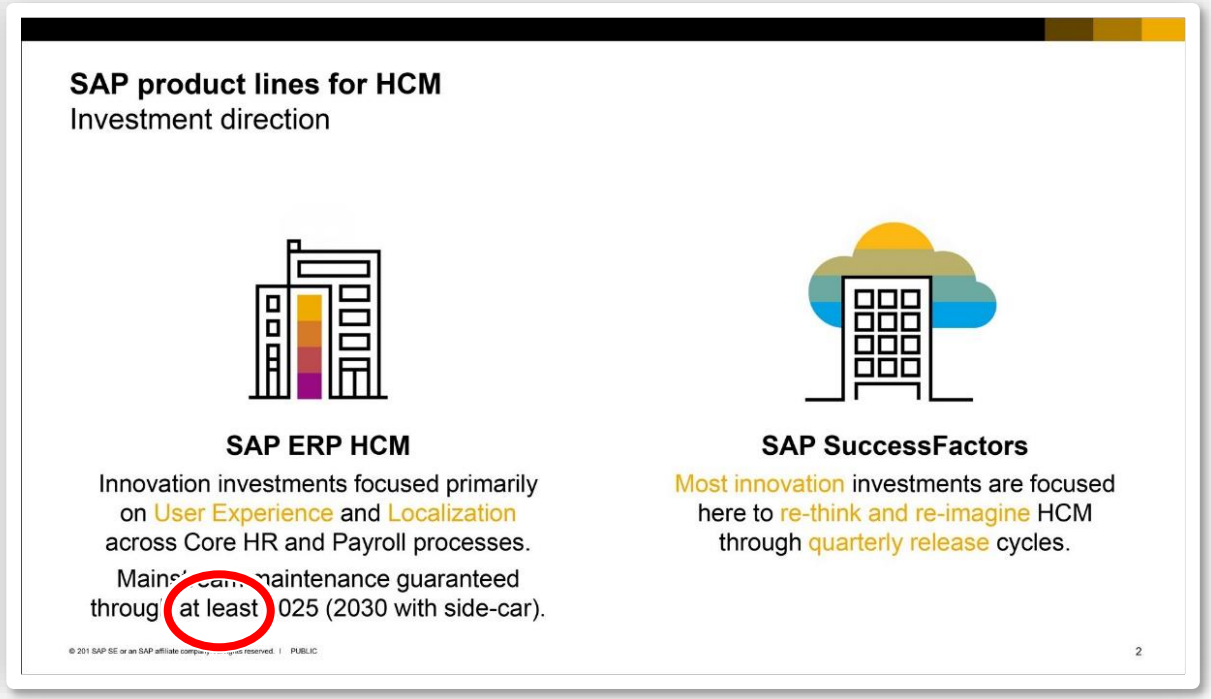


2019

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

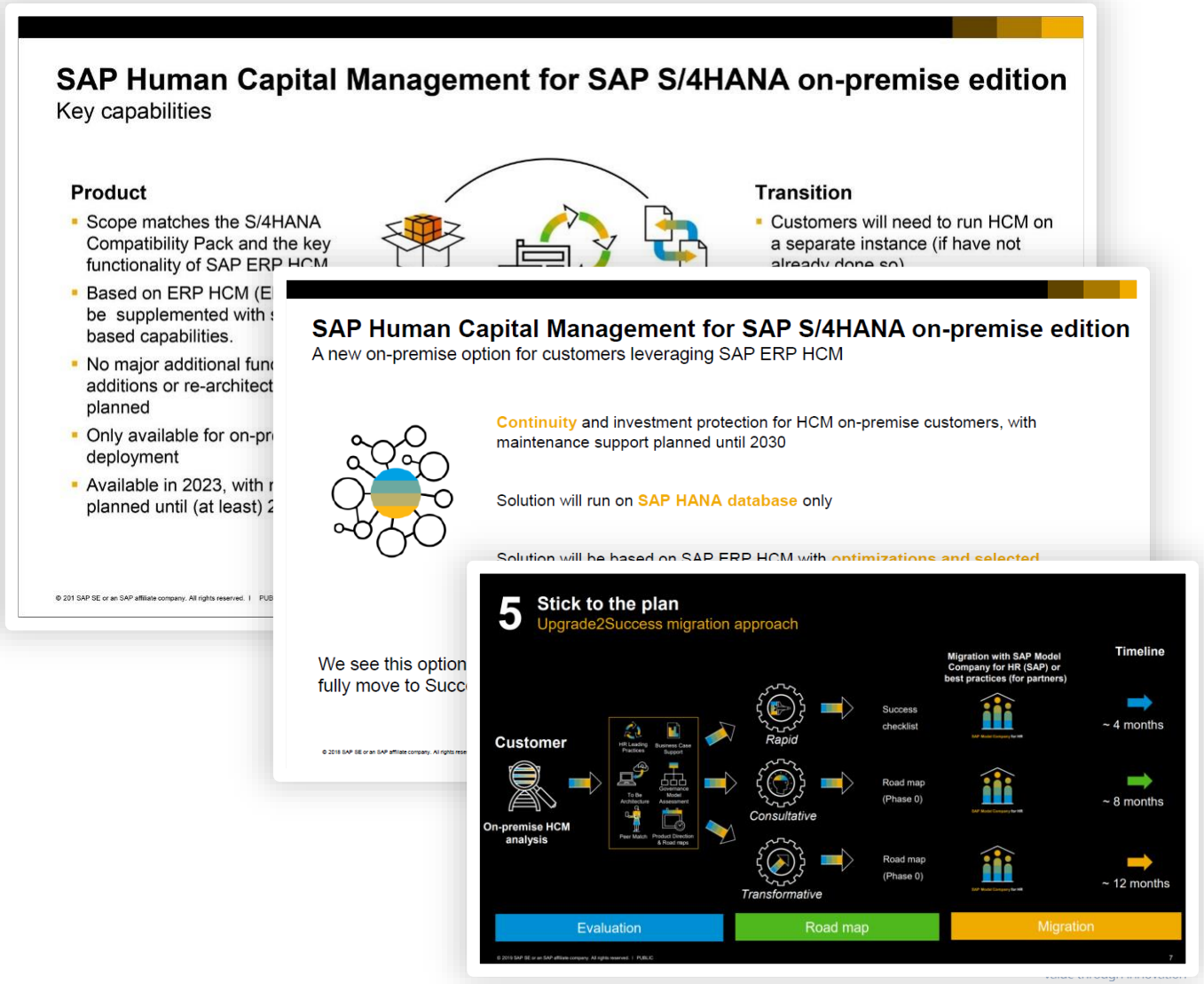
- SAP is committed to investing in both on-premise and cloud
- The future is HANA
- Guaranteed support for on-premise SAP HCM until **at least** year end 2025 or **at least** year end 2030 with side-car

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



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



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)

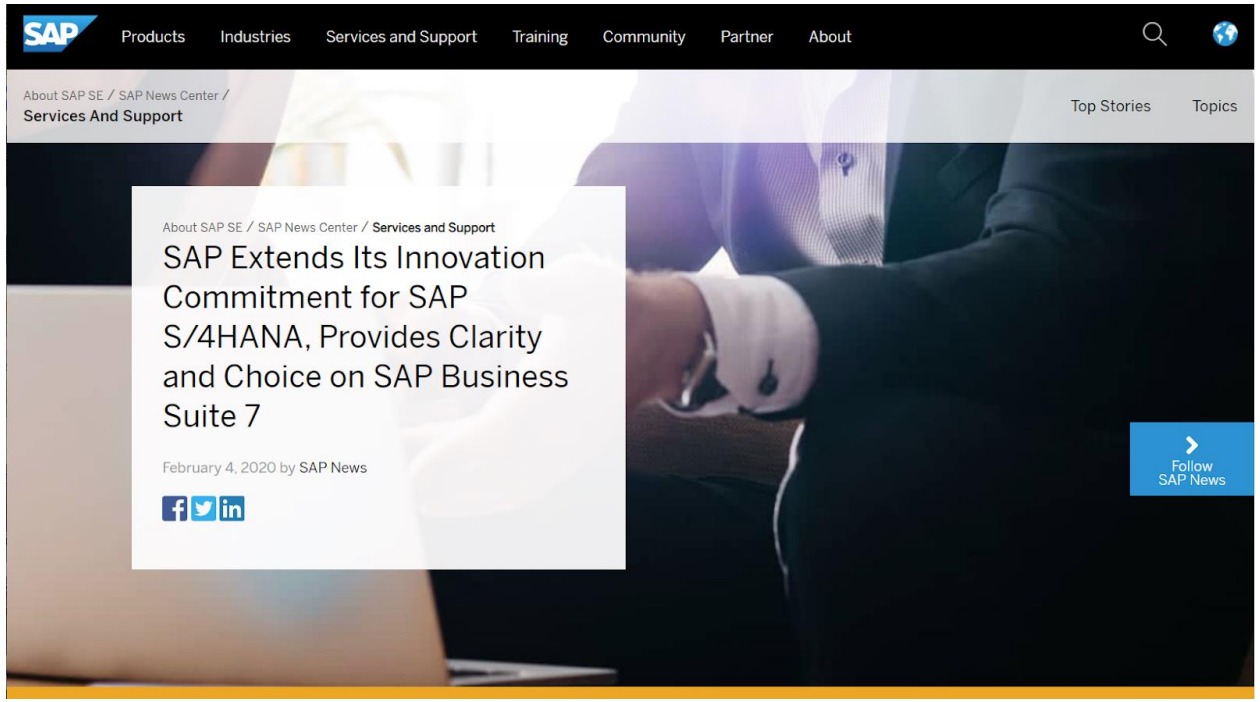
SuccessFactors Talent

2019 Q3 5,000

2020

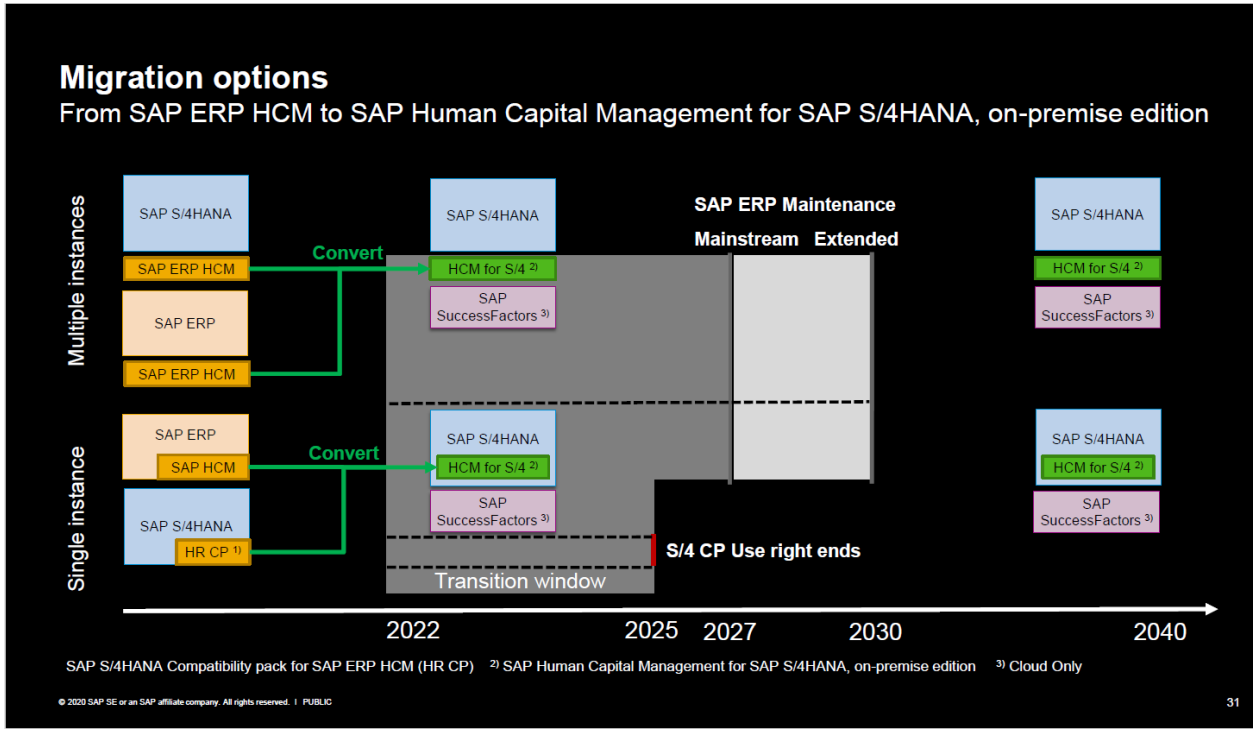
2020 - SAP Extends Its Innovation Commitment for SAP

- 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.

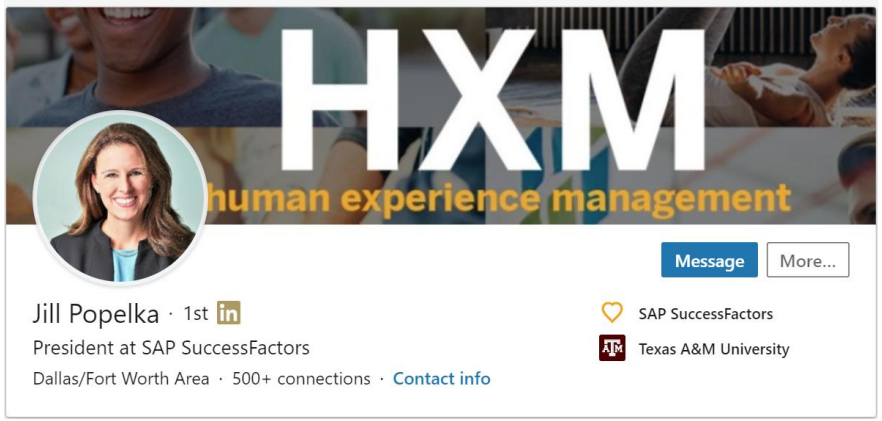


SAP extended date by 2 additional years for mainstream maintenance until 2027

The Journey and Evolution from On-Premise SAP to SuccessFactors

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Big News	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
Landscape Options	2	3	4	5	5	5	6	6	6
Messaging	HR's Changing: Are you ready?"	Now is the time for a digital trans-formation	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



SAP SuccessFactors
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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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