"To me, the project is like the next level in Super Mario: We've left the old level. Using ERP HCM on an IBM mainframe meant we were far outside the mainstream, which made getting support difficult. By going to a new level with SAP HANA, we've opened the door to the future and can now optimize the application, as well as use evaluation options that weren't available in the old setting."

Dr. Jan Mütter, head of division "IT solutions", IT.NRW

SAP HANA® MIGRATION FOR CENTRAL STATISTICAL AND IT SERVICES PROVIDER OF NORTH RHINE-WESTPHALIA (IT.NRW)

Successful launch of world's second-largest payroll processing system on SAP HANA

Digital competitiveness is a big deal in North Rhine-Westphalia, and not only in terms of the economy: The state's public administration is also increasingly switching to digital resources. Working with T-Systems, the central statistical and IT services provider for North Rhine-Westphalia (IT.NRW) and the State Office for salaries and retirement benefits (LBV) recently completed a project that serves as an outstanding example to the rest of the world when they migrated their SAP HCM (Human Capital Management) infrastructure from a high-cost mainframe setting to an x86-based, highly secure system. SAP HANA's fast in-memory technology now serves as the database for the new system. The results have met the planners' expectations in full. It has been possible to cut the time for core payroll processing by 50% - for some 676,000 transactions per month, no less. Following the changeover to the new system, maintenance costs have fallen to just a fraction of what they were, and the return on investment is reached after a mere 12 months. The operational reliability of the payroll system is vital to LBV's activities, but migration took place quickly over a single long weekend and went virtually unnoticed by LBV staff. In addition, now that SAP HANA is in place, IT.NRW and LBV are in an excellent position to undertake further digitalization activities.

AT A GLANCE

- North Rhine-Westphalia's State Office for salaries and retirement benefits (LBV) handles some 676,000 transactions every month.
- Continuing to use the current mainframe architecture would have required extending the ongoing maintenance contract.
- T-Systems won a public tender with an open negotiation process thanks to its tailored solution and unmatched cost-benefit ratio.
- The new system architecture is based on Dell EMC's x86 hardware and an SAP HANA database.
- Handled by its partner SNP, the business-critical migration to SAP HANA took place almost unnoticed with a standard SAP tool.
- T-Systems was the main contractor and delivered the project as agreed, within the envisaged timeframe and without budget overruns.
- The main benefits were the quick return on investment, a faster payroll processing, and outstanding future-proofing courtesy of SAP HANA technology.

T··Systems·

THE REFERENCE IN DETAIL

CUSTOMER

North Rhine-Westphalia's state administration consists of three levels. Ministries and state authorities are on the top level, the civil service on the middle level, and regional administrative bodies are on the third level. They comprise regional councils, tax authorities, and local police forces. There are also state authorities that provide marketable services in competition with other public bodies and private-sector companies. One of NRW's top level state authorities is the State Office for salaries and retirement benefits (LBV). Every month, it processes approx. 676,000 transactions, which break down as follows: some 279,000 public sector employees, 190,000 other employees, 207,000 benefits recipients. Each transaction requires a separate calculation and authorization process. This falls within the brief of the central statistical and IT services provider for North Rhine-Westphalia (IT.NRW).

CHALLENGES

Previously, IT.NRW used a mainframe computer and an underlying DB2 database for monthly payment activities. Shortly before the maintenance contract was due to expire, LBV and IT.NRW opted for a new solution. They hoped this would not only reduce the high maintenance costs incurred by the existing system but that it would also open the door to infrastructure consolidation. The public tender with an open negotiation process comprised a comprehensive package: Concept design, testing, project management, technology, implementation, and the timely migration of all SAP HCM (Human Capital Management) data from the old system to the new one. The tremendous time pressure and importance of the data migration represented a major challenge for this HR system changeover. T-Systems won the tender with its all-in offering and impressive cost-benefit ratio. Experience from previous undertakings with the state of North Rhine-Westphalia in other projects enabled T-Systems to develop a comprehensive approach that was perfectly tailored to the needs of the state government, IT.NRW, and LBV.

Reference

**Information und Technik
Nordrhein-Westfalen**

SOLUTION

The comprehensive solution designed by T-Systems is based on stable, high-performance and SAP HANA certified x86 hardware and a highly available, fast SAP HANA database. To ensure that the vital payroll processes functioned correctly, extensive tests were performed on the complete systems architecture, which was given a redundant structure. Part of T-Systems' role as main contractor entailed managing the activities of subcontractors. Dell EMC supplied and installed the hardware components. SNP was responsible for data migration. The standard SAP tool used for the project migrated the huge volume of data from the source system to the new target system so quickly that the entire undertaking was completed successfully in a single long weekend. Following the comprehensive transfer of expertise from T-Systems to IT.NRW, the handover of all documents, and successful conclusion of the first three payroll runs, T-Systems transferred responsibility for operating the new SAP HCM infrastructure over to IT.NRW. During operations, T-Systems continues to provide 3rd-level support and undertake any systems modifications which may be necessary.

CUSTOMER BENEFITS

Both IT.NRW and LBV were very pleased with the progress of the project. The transition to SAP HANA took place within the agreed 16 months and budgetary framework. The business-critical migration was carried out without a hitch on a long weekend. On Monday, staff were able to work as usual with their SAP HCM system, which was now much faster. Today, the state enjoys a 50% reduction in the time required for core payroll processes. Maintenance costs have also been reduced to a fraction of what they were, and the RoI is achieved after just 12 months. North Rhine-Westphalia's SAP HANA solution is not only economically sound, but this future-proof technology also protects the state's investments as SAP plans to migrate all of its products so that they will run exclusively on its SAP HANA in-memory database starting 2025. The state is proud of its new HANA environment. Around the world, only one customer performs more payroll transactions.