

# THE **TOP THREE CHALLENGES** FACED BY SAP HCM ON-PREMISE OR HYBRID CLIENTS

A WHITE PAPER - Danielle Larocca

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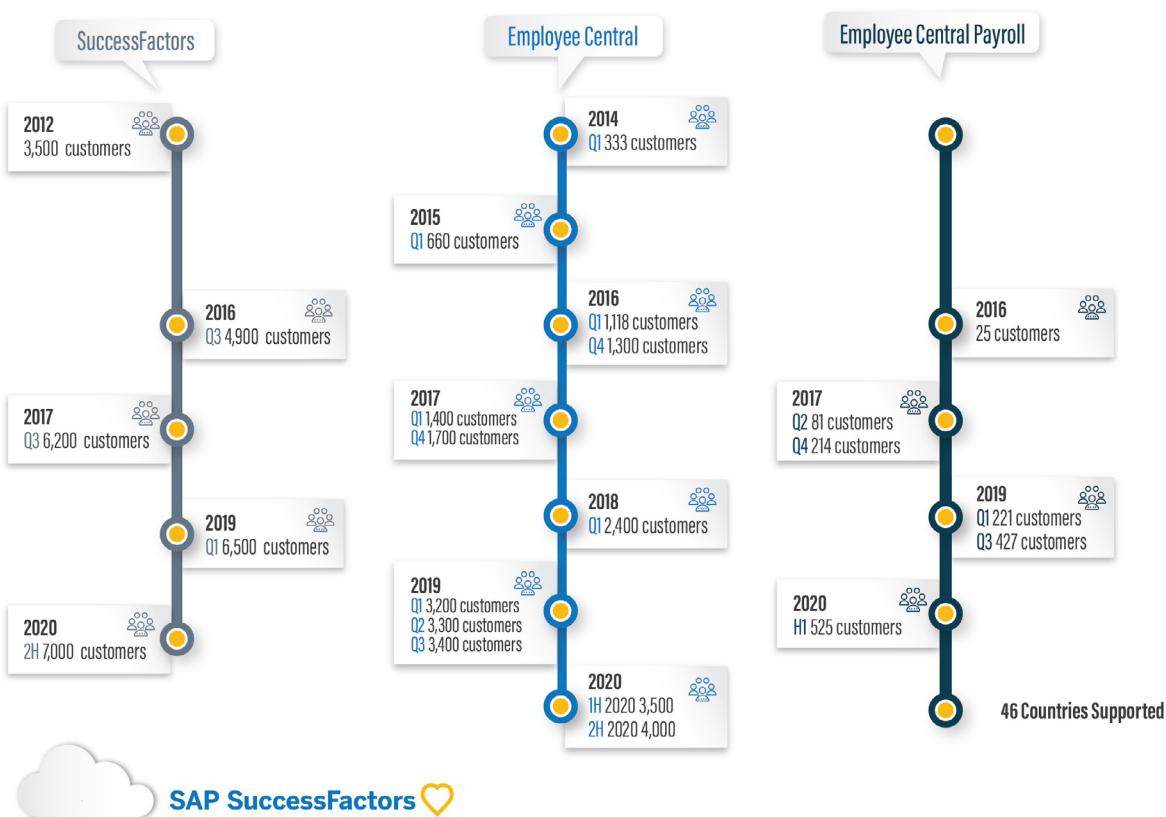
SAP's HCM and Payroll clients have been encouraged to journey from their SAP HCM on-premise ECC to SAP SuccessFactors and the cloud. Client movement from on-premise to the cloud has been slower than SAP SuccessFactors anticipated, and the deadlines by which clients have been required to move have changed a few times.

## WHERE ARE CLIENTS TODAY?

At the time of the SuccessFactors acquisition in late 2012, SAP shared that there were 14,000 active HCM clients and approximately 9,000 active SAP Payroll clients. In September 2020, SAP SuccessFactors released that the number of active SuccessFactors clients was approximately 7,000 (see below). SAP SuccessFactors also shared that there are more than 160 million users, with approximately 1.2 billion peak daily transactions and 410 new SuccessFactors go-lives in the first half of 2020.

A common misconception after reviewing the headline numbers is that half of the existing on-premise SAP HCM clients have moved to SuccessFactors. That is actually not the case, but let's take a closer look at the numbers released from SAP SuccessFactors and what they mean.

### Marketplace Numbers SAP SuccessFactors



SAP SuccessFactors may release the number of active licenses sold for SuccessFactors products. However, what is not released is the number (or percentage) of those clients who made the transition from SAP HCM on-premise to SuccessFactors Employee Central, as opposed to which clients were net new, or never on the SAP platform.

Let's start with that 7,000 number of licensed SuccessFactors clients. SAP SuccessFactors has several modules for various application areas. A large number of those clients continue to be for their talent solutions. Their HR module called SAP SuccessFactors Employee Central comprises 4,000 of those 7,000, an increase of 18% year-on-year (YOY) globally (North America: 9% YOY, EMEA: 20% YOY, LAC: 18% YOY and APAC: 20% YOY). Even if every single one of those 4,000 clients moved from on-premise SAP HR (which is unlikely), there is still a large contingent of companies who need to make the move. Now that we know the majority of the SAP HCM on-premise clients are still in fact on-premise or starting a hybrid scenario, let's examine the items they have expressed are their biggest challenges.

## TOP THREE CHALLENGES

Now that we know where most clients are at, we are keen to understand what their biggest challenges are.

### 1. HAVING REAL-TIME ACCESS TO CRITICAL DATA TO MAKE WELL-INFORMED BUSINESS DECISIONS

Virtually all decisions that are made related to a company's Human Capital Management function are based on data that is available to management. This could be as simple as reviewing the termination reasons of why people depart the organization, the average pay for certain roles, or a more complex analysis of how employee engagement is correlated to revenue.

One thing is certain is that employers require easy access to real-time data that is easy to consume, analyze, and distribute accordingly. This concept of requiring information to make decisions has matured into an overall movement that SAP has embraced called the intelligent enterprise.

***"89% of respondents agreed that they could use HR metrics to plan the future of their workforce; only 1% disagreed."***

Research by Oracle published in the Harvard Business Review

***"More than half (66%) of respondents identified processing and data accuracy as the primary method used by their organization to evaluate the effectiveness of payroll."***

SAPinsider Benchmark Report State of the Market: Payroll and Its Impact on Cloud HR. March 2020

### 2. HAVING CONFIDENCE IN DATA ACCURACY

Having access to real-time data is critical for making better decisions to drive the business, but most important is that you have a level of confidence in that data accuracy. Human Capital Management data never stops changing, and there are employee actions and changes being performed continuously on your employee data in SAP SuccessFactors.

Identifying variances in your data is something that HCM and Payroll professionals have to do all the time: with each configuration change, each support pack, new implementations, data conversions, or whenever we upload data from an outside data source, perform day-to-day validations or perform client copies.

Bad data can stop the payroll process, and it can result in incorrectly paid employees, and compliance may be put at risk. Working proactively to ensure a high quality of data will reduce the time spent troubleshooting and resolving errors post-payroll.

***“Today’s HR teams aren’t able to devote time and resources to the tasks that they see as priorities. What’s blocking them? Our respondents indicate that they don’t have sufficient time to do their necessary tasks (26%) or access to necessary resources (25%).”***

DocuSign HR Trends 2020: Unlocking HR Teams from Outdated Processes

### 3. HAVING ACCESS TO DATA IN OTHER SYSTEMS FOR TRAINING AND TESTING

Having access to real-time data is critical, and ensuring that data is accurate is essential. However, another huge requirement is the ability to share that data among other systems for testing or training purposes.

In the SAP world, there are several environments that house your system configuration and employee data. Popular scenarios include a Development client, Quality Assurance and a Production system, each with their own focus. The Production system, of course, is where all the live HR and Payroll activities occur. The Development client is where the configuration and programming are done, and the Quality Assurance is often where it is tested. One of the largest challenges for SAP HCM clients is their ability to provide access to production-like data in these non-production systems in a masked format.

The process of moving or scrambling this data between systems is often a manual effort, requiring a great number of resources, time and money to accomplish. The risks of data not being masked or anonymized are of even greater concern in consideration of data privacy laws like GDPR, CCPA and POPIA.

***“Test data provisioning has become a bottleneck that threatens the efficiency gains offered by new test automation technologies. As a result, test data represents a weak link in the chain for organizations implementing continuous integration and delivery.***

***Additionally, test data has been identified as a vulnerability for companies that must adhere to data privacy laws, like General Data Privacy Regulation (GDPR) and the Health Insurance Portability and Accountability Act (HIPAA), designed to prevent the accidental or intentional exposure of personally identifiable information.”***

When to use production vs. synthetic data for software testing from Software Testing News December 2018

## GOOD NEWS: THERE IS A SOLUTION THAT SOLVES THESE TOP THREE CHALLENGES

### WHO WE ARE, AND WHY WE ARE EXPERTS

At EPI-USE Labs, we are the market leaders in this space. With over 25 years of HCM domain experience and thousands of implementations, we are experts in the challenges faced by clients. We have proven success in assisting clients with our SAP and SuccessFactors-certified products and services, helping them to maximize their existing investment and provide a proactive insurance policy for their ever-changing SAP HCM and SuccessFactors Human Capital Management.

### THE HCM PRODUCTIVITY SUITE: WHAT IS IT?

Our HCM Productivity Suite is a robust and powerful suite of software designed specifically for solving the most common challenges faced by SAP HCM on-premise or hybrid SAP SuccessFactors clients.

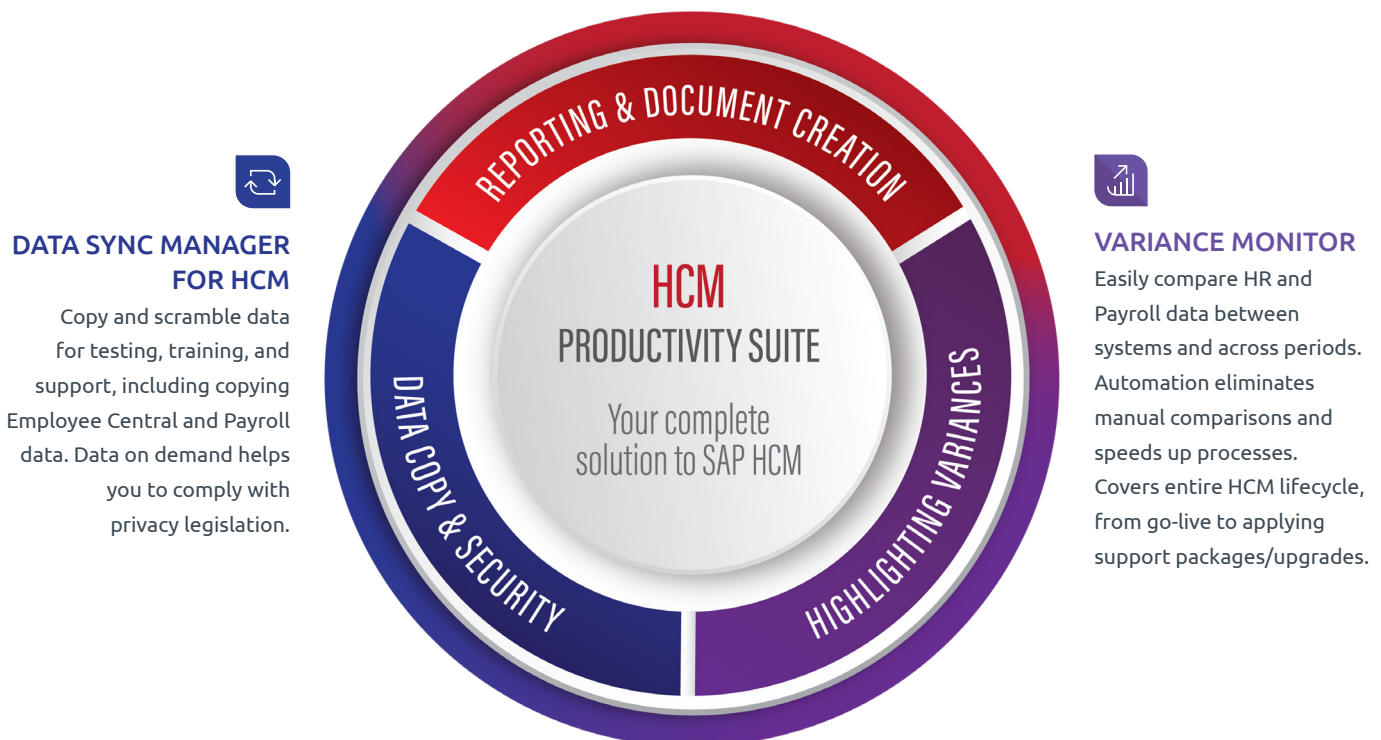


#### QUERY MANAGER WITH DOCUMENT BUILDER

Get real-time, operational reporting and automated document creation using SAP and SuccessFactors HR and Payroll data.

Create your own reports and tailor documents via a simple user interface.

Expand the availability of your data via the web, analytics solutions and Microsoft Excel.



# 1) SOLUTION: SOLVING THE CHALLENGE OF REAL-TIME ACCESS TO DATA

## PRODUCT OVERVIEW - QUERY MANAGER WITH DOCUMENT BUILDER

Query Manager is the only SAP-certified solution for real-time reporting of SAP HCM data, including hard-to-access Payroll and Time data. This powerful operational reporting solution eliminates the need for users to either rely on their ABAP programmers to provide custom reports, or for superusers to try and cobble reports together using various solutions like the SAP Ad Hoc Query, SE16 and the Wage Type Reporter.

The solution, which may be web-enabled via Fiori, allows users to access and interact with their reports outside of the SAPGUI via a browser, tablet or smartphone. Query Manager is delivered with access to hundreds of delivered reports that are designed based on the most popular requirements for clients in all areas of SAP HCM and Payroll.

## CREATING EMPLOYEE LETTERS AND DOCUMENTS

Query Manager includes the ability to output letters and documents via Document Builder's visual designer and intuitive user interface, empowering users to create richly-formatted letters, documents and reports, and distribute them automatically. Using Document Builder, you can customize documents to various audiences using basic filters, including using pre-added elements, with advanced formatting functions including editing, resizing, table formatting, and automated distribution. Document Builder includes templates for common employee documents and letters including detailed pay explanation statements, total compensation statements, pre-populated tax forms, remuneration letters, contracts, pre-populated employee forms, and many others.

## WORK WITH YOUR DATA LIVE IN MICROSOFT EXCEL

With Query Manager's Microsoft Add-in, you can refresh, analyze, share, and present your critical SAP HCM data, live in Microsoft Excel. What is unique about this web app is that once you have built an Excel worksheet with all the formatting and formulas that you need, you can simply click a button to refresh your spreadsheet with live data from SAP. This functionality, which is delivered with Query Manager 4, allows you to automate your Excel reports; no more uploading and downloading data between systems. It also negates the need to send the latest copy of data to recipients; they can simply open up their Microsoft Excel and click the 'Refresh' button to see the latest live data from your SAP system. The Microsoft Add-in works with Excel for Mac, Excel for Windows and Excel for the web.

## SHARE YOUR DATA WITH YOUR ANALYTICS SOLUTION OF CHOICE

The Query Manager solution also includes an Analytics Connector for those clients who wish to share their report data with their analytics solution (Tableau, Qlik or Microsoft PowerBI for example). Query Manager can serve as an engine for feeding your dynamic data, including SAP Time and Payroll, with an external analytics solution, allowing you to have your analysis complete with your critical HCM and Payroll data from SAP SuccessFactors data. In addition, Query Manager is listed as the software that can provide on-premise data, including Payroll, Time, and Configuration data, with SAP Analytics Cloud and the Digital Boardroom on their official list of SAP Analytics Cloud (SAC) Data Sources.

## Query Manager

Realtime reporting of all HCM or ECP Payroll data in line with SuccessFactors data

### Without HCM Productivity Suite

Operational Payroll data is not available for reporting; clients would have to leverage custom coded ABAP reports, plus manual independent extracts from the Wage Type Reporter, and offline reconciliation in Microsoft Excel or Access.

### Benefit of HCM Productivity Suite: **Query Manager**

Advanced operational reporting. Query Manager can report across any field in both SAP and SuccessFactors, including Payroll and Time clusters, and simulated payroll results to create comprehensive reports in a variety of outputs.

### Without HCM Productivity Suite

Clients in hybrid scenarios with SAP and SuccessFactors or clients with ECP have continuous data replication occurring. Without an automated solution manual comparisons of extracted data, offline, in Excel or Access (unsecured) are required.

### Benefit of HCM Productivity Suite: **Query Manager**

Query Manager produces consolidated reporting that identifies any discrepancies between SAP and SuccessFactors data including automated notifications. Additionally, Query Manager can read configuration tables to assist in ensuring your correct mapping via your conversion rules in Employee Central.

## Document Builder

Creating richly formatted letters, documents, reports and visualizations for automated distribution to employees, managers and business partners

### Without HCM Productivity Suite

In SAP, customers often have to reply on either custom ABAP-coded letters and documents or manual Microsoft mail merges. SuccessFactors includes a limited functionality document creation tool to handle only basic correspondence.

## Benefit of HCM Productivity Suite: **Document Builder**

Design, generate and distribute professional HR documents, live from your SAP HCM and SFSF systems. Use a single document to output multiple versions of a letter that includes different content based on custom conditions in a variety of outputs: pdf, email, ESS, MSS, Tile in EC, with electronic signatures via DocuSign.

**Sending automated detailed Payslips explanation documents to employees to reduce call centre enquiries**

### Without HCM Productivity Suite

Payslip document output is limited as to what it can include and accessing payroll data to create an explanation document requires a trained ABAP programmer and an added encryption mode for distribution.

## Benefit of HCM Productivity Suite: **Document Builder**

Build professional-looking documents easily with a rich visual designer and intuitive user interface, including documents that include data from the payroll results leveraging encryption for distribution.

*"Document Builder has been our biggest win, to be honest. Our letters generate on-screen for our HR and Shared Services colleagues. So once they have administered an action in SAP, they can generate the letter via Query Manager and Document Builder, and they can go through it on screen and check exactly what is there. They are then very clear that what is shown on the PDF is exactly what is in SAP. They can also very easily rectify any mistakes."*

Chris Layton, BBC



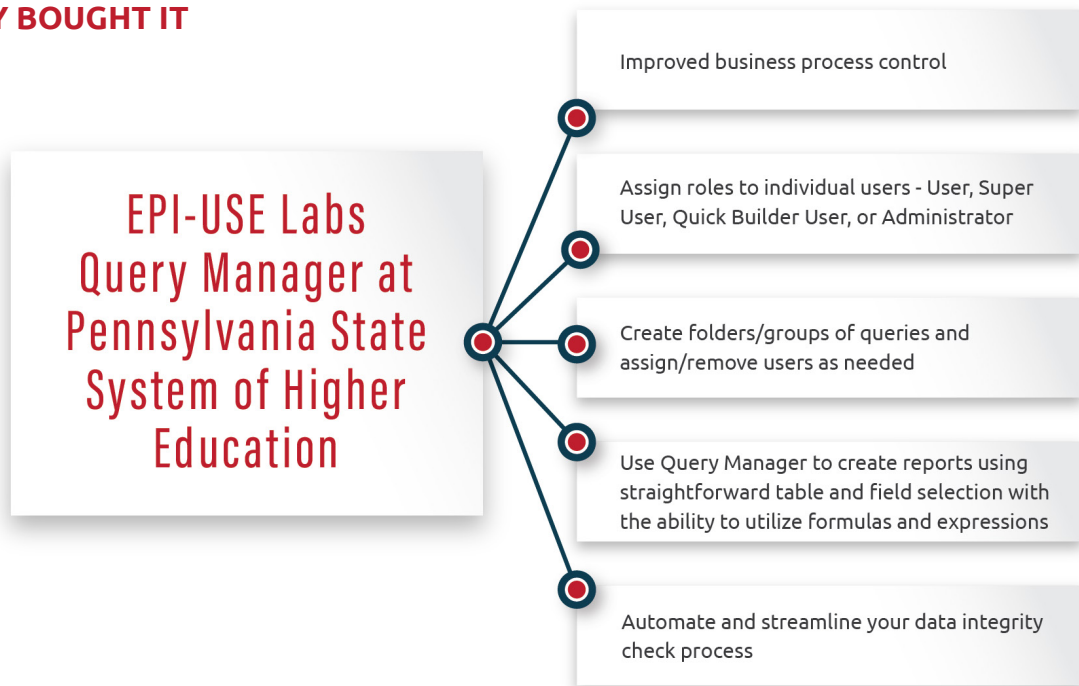
## CLIENT SUCCESS: PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION (PASSHE)

*"We need to support 14 state schools and deliver accurate reports on time. When we used Ad Hoc or SAP Query we had to either extract 14 separate reports or pull out one report and break it down into Excel spreadsheets and send it to various users. There was no automated way to do that.*

*I spent days sorting out Excel spreadsheets, trying to get the information out. It was very painful!  
And then I'd have to send individual emails to each of the schools ... basically I'd be cutting the text, pasting it, changing the person's name, attaching another file, sending out. There was so much manual work!"*

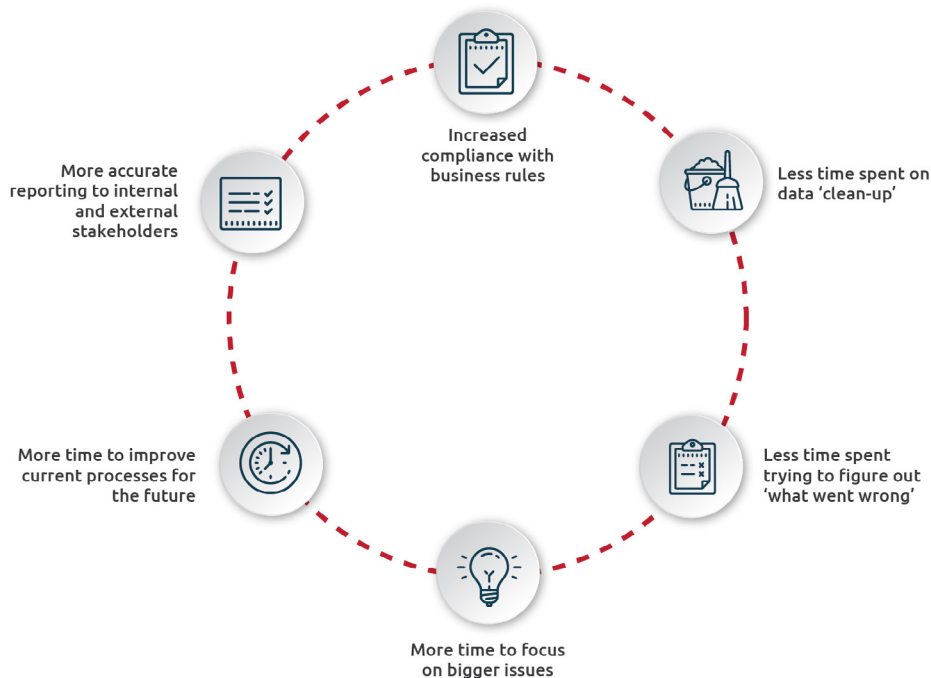
Ed Wolszczenski, Shared Administrative Systems – SAP HCM Support

### WHY THEY BOUGHT IT



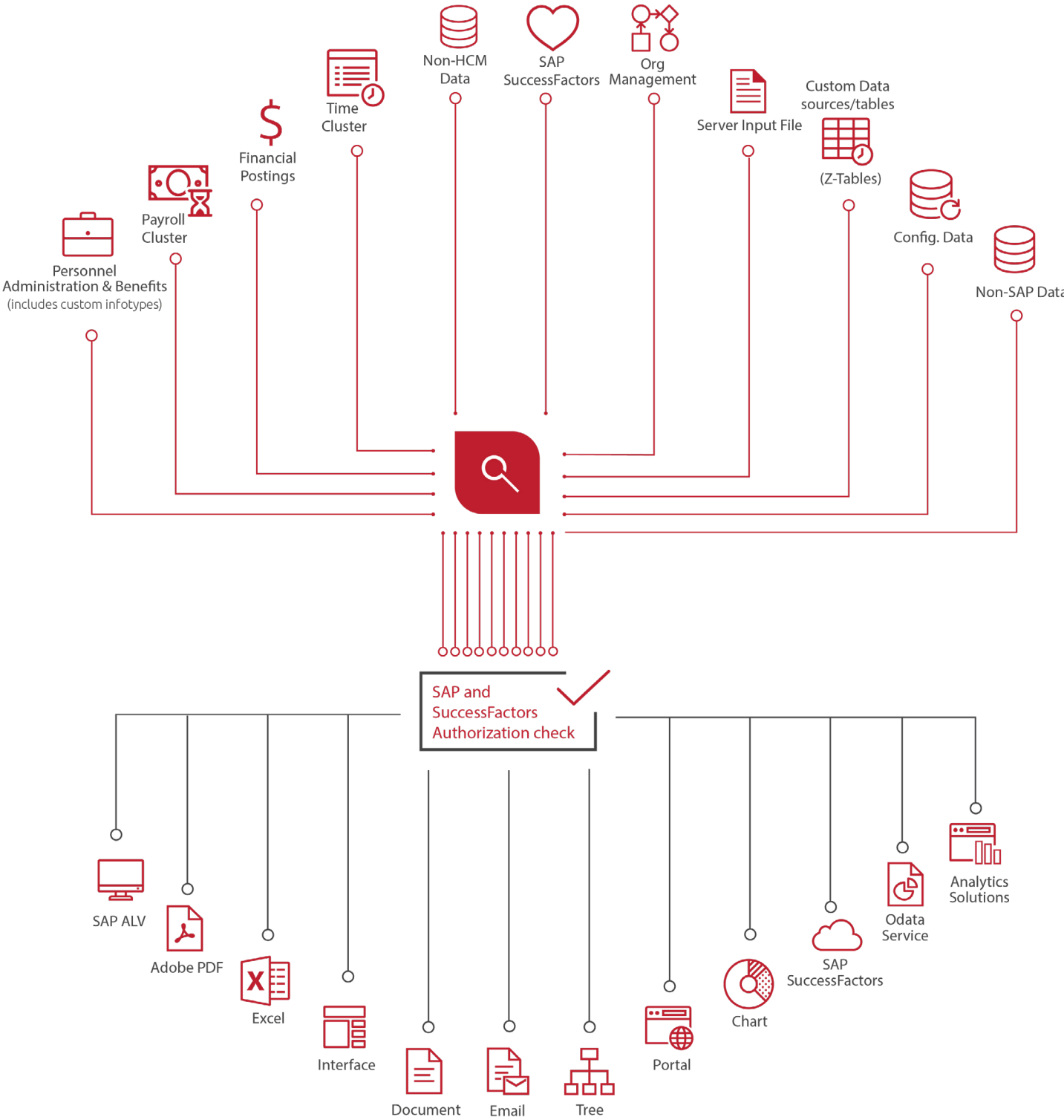
### CLIENT RESULTS

#### EPI-USE Labs Query Manager at Pennsylvania State System of Higher Education





SOLUTION DIAGRAM



## 2) SOLUTION: ENSURING DATA ACCURACY

### PRODUCT OVERVIEW - VARIANCE MONITOR

Variance Monitor from EPI-USE Labs gives you the ability to compare HR and Payroll data between systems and across periods. This is great because SAP does not provide a solution for this, and it's an activity that is complex, time and resource intensive, with lots of room for manual error. This makes it difficult to compare HR and Payroll data from one period with that of another, and often adds costs employers never expected.

Because Variance Monitor is automated, it eliminates manual comparisons, speeds up your processes, and enables your managers and test teams to be much more productive. Variance Monitor compares key data from either SAP on premise Payroll or SuccessFactors Employee Central Payroll, speeding up your parallel run phase and ensuring you go live with accurate data. After go-live, payroll results can be checked from period to period to mitigate overpayments and underpayments, or key changes to master data. Variance Monitor also allows the comparison of data between different SAP clients, for example Production with Quality Assurance. This is ideal for testing the impact of support packs being applied.

### REAL-WORLD USE CASES

#### Variance Monitor

##### Comparing payroll results for regression testing and analysis

###### Without HCM Productivity Suite

Operational Payroll data is not available for reporting so clients wishing to try and compare that data across runs must resort to manual extracts and comparisons, which leaves a great amount of room for error and a large manual effort that makes the data less secure outside of either SAP or SuccessFactors.

###### Benefit of HCM Productivity Suite: **Variance Monitor**

The easy ability to perform payroll to payroll comparisons and set rules and thresholds to identify any differences either between various systems or across multiple periods.

##### Reducing risk of loading support packs and regular compliance and auditing, legislative changes

###### Without HCM Productivity Suite

Clients have to perform manual comparisons for different functional areas that could potentially be impacted by the application of support packs or updates, a manual and time-consuming effort, often not secure enough to pass rigorous audit or security protocols.

###### Benefit of HCM Productivity Suite: **Variance Monitor**

Repeatable activity, build up your comparison library for regression testing after upgrades and legal patches, to highlight any variances with all data staying in the system.

*“Our Query Manager reports routinely pull data from the de-clustered results and the Payroll Department relies on the information we provide from this table. This has been very helpful, and we have been able to spot discrepancies before we kick off live payroll. ”*

Shahin Ahmadpour, Business Payroll Analyst - Payroll Strategy, American Airlines

## SOLUTION DIAGRAM

### Using Variance Monitor in the SAP HCM lifecycle



### 3) SOLUTION: ENSURING ACCESS TO DATA IN NON-PRODUCTION ENVIRONMENTS

#### PRODUCT OVERVIEW – DATA SYNC MANAGER FOR HCM

How do you solve the challenge of ensuring access to HCM production data in non-production systems for testing, training and support?

Data Sync Manager™ (DSM) for HCM empowers all levels of SAP® users – and solves this challenge.

DSM gives you the data you need, when you need it. This SAP-certified solution allows you to select and transfer specific HCM data objects easily and accurately, as needed, and to mask sensitive data for confidentiality, security, and governance compliance.

#### REAL-WORLD USE CASES

Data Sync Manager (DSM) for HCM	
Scrambling data in EC & ECP	
Without HCM Productivity Suite	Benefit of HCM Productivity Suite: DSM for HCM
Clients have to either request client copies (PRD to QA) and then write a program to delete all employee data and/or attempt to scramble it via a program, or in the SuccessFactors world, request an instance refresh, without masking, both of which are likely not secure enough to pass a rigorous audit or security protocols.	Clients can easily select entire systems or groups of employees to copy and leverage prebuilt masking that can mask any and all data including custom fields ensuring complete anonymization of the data in non-production environments.
Copying individual data to test specific BAU scenarios, e.g. a payroll issue, a planned reorganization, regression testing subsets of employee data	
Without HCM Productivity Suite	Benefit of HCM Productivity Suite: DSM for HCM
In SAP an entire client copy is possible (or in SuccessFactors an instance refresh) with the same concerns as above, preventing users from easily having access to prepare unique scenarios in non-production systems on demand.	Individuals, or groups of data, can be copied between systems by the user in minutes, for testing and simulating scenarios in test instances. Data can also be scrambled on the fly.

***“We were running an old legacy tool to copy our Payroll data back from Production to our Development and Test systems, which didn't meet our business needs. Data Sync Manager has enabled the team to take on additional workload. We type in a lot of new employees, with new contract terms and conditions, so we can copy the data back and make sure that the results are as expected. We apply the support packs twice a year, and we also use it for our production support tool.*”**

***DSM has been a real game-changer for us, and really allowed the team to work much more efficiently.”***

David Hall, Head of IT Development, Compass Group UK & Ireland

## CLOSING

As we found ourselves assisting our clients with the same three challenges over and over, we wanted to make it easier for them to leverage the functionality available in the HCM Productivity Suite that combines these three solutions into a single integrated offering.

The HCM Productivity Suite is a robust and powerful suite of software designed specifically for SAP HCM transformations and beyond into business as usual. The application of this suite at multiple points in the journey provides consistency and value for your investment.

While you journey from on-premise SAP to SuccessFactors, and even after successful implementation, you often have to deal with continuous business changes, reorganization, mergers and acquisitions. You also have to adapt to technology changes (such as on-premise to cloud, S/4 Employee Central Payroll).

It's critical that you have the agility to adapt accordingly, and the integrated solutions to help you in doing so.

To ensure a successful business journey, today, tomorrow and beyond, you can count on the HCM Productivity Suite to adapt and innovate with you along the way.

At EPI-USE Labs, our commitment is not only to innovation, but to assisting our clients in solving their business challenges every day. We have kept pace with both SAP and SuccessFactors to continue to innovate with cutting-edge technology, to assist you as you make the journey to your intelligent HCM enterprise.



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