State of Arkansas' Department of Finance and Administration Successfully Moves to SAP HANA for SAP Business Suite (ERP) and SAP Business Warehouse (BW)

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Innovative SAP Solutions for Public Enterprises

SAP HANA Migration Project brings the benefits of SAP HANA In-Memory Computing to 30,000 Arkansas employees and 200 agencies, which sets the State to become a leader in data driven insights for faster, and more efficient and effective decision making across multiple business operations.

State of Arkansas is home to over 3 million people, employs just shy of 60,000 full time state employees. The state, under Governor Asa Hutchinson leadership, has spent the last 4 years focusing on how to best use technology as an enabler or business process optimization, operational efficiency, and streamlining of state service delivery to advocate accountability. Agency participation and response to this goal has allowed for the state to initiate the transformation of service delivery to its constituents by thinking strategically around the benefit that technology investments will to taxpayers now, and into the future. The SAP HANA Migration project is addressing the extreme need for state-of-the-art reporting technology, providing a platform that will open doors to more views of the data, bringing better insight and value to the State of Arkansas.

SAP HANA MIGRATION – PROJECT OVERVIEW

The goal of the Arkansas Department of Finance and Administration (DFA) - Office of Information Services (DFA-OIS) was to obtain services for an on-premise turnkey technical upgrade of the entire Arkansas Administrative State-wide Information System (AASIS) technical ecosystem. AASIS has been in continuous operation since 2001 and encompasses SAP ERP Centralized Component (ECC) landscape and an SAP Business Warehouse (BW) landscape. The scope of the technical upgrade project was to accelerate the interaction of the ERP system by moving to SAP Suite on HANA and creating a virtual data warehouse on a single platform to enable innovation and gain insights across the organization with BW/4HANA.

State of Arkansas selected Team ValueStream / LSI Consulting (LSI) whose extensive SAP US Public Sector (20+ years) and SAP HANA Migration experience (since the inception of HANA) acted as a unique differentiator, and perfect partner on the State's journey to SAP HANA. Valuestream/LSI brought in the expert team to help the organization: 1. Provide guidance regarding solution design. 2. Give advice and suggestions for solution alternatives and cost savings opportunities. 3. Provide efficient and high-quality delivery of work. 4. Be engaged and committed to achieving a successful SAP HANA Upgrade.

The project had three respective go-live events, the last during January 2019, and currently the State's employees have adopted the SAP Suite on HANA and SAP BW/4HANA Platforms and have seen dramatic results which have positively affected all organizations units, including the fact that it laid the platform for Predictive Analytics, with increasing demands for this, allowing the State to focus on High Spend areas, as well as Statewide analytics requirements.

CHALLENGES AND OPPORTUNITIES

The State implemented the AASIS system for productive use in July of 2001. The underlying premise for the State was to utilize commercially available off the shelf ERP software. AASIS utilizes many core features of the SAP ERP software solution with an emphasis on Public Sector functionality including:

A. SAP Human Capital Management 1. Personnel Administration (PA) 2. Organization Management (OM) 3. Benefits (BN) 4. Time Administration (TA) 5. Payroll (PR) 6. Employee Self Service (ESS) 7. Management Self Service (MSS) 8. Learning Solution (LSO)

B. SAP Accounting 1. General Ledger and Financial (GL and FI) 2. Funds Management (FM) 3. Controlling (CO) 4. Cash Management (CM) 5. Accounts Payable (AP) 6. Accounts Receivables (AR) 7. Asset Accounting (AA) 8. Special Purpose Ledger (SPL)

C. SAP Logistics 1. Materials Management (MM) 2. Plant Maintenance (PM) 3. Fleet Management for State Police

D. SAP Business Intelligence 1. Business Warehouse (BW) 2. Business Objects for reporting (BO)

AASIS over the years has been heavily customized to meet specific needs of the State, making it very challenging to maintain, as well as complicated to enhance and modernize. During this same timeframe, there have been very few strategic initiatives to incorporate new features and functions within AASIS that could leverage the State's long-term investment in the SAP ERP software.

"Migrating to SAP BW/4HANA addressed our extreme need for state-of-the-art reporting technology. This strategic upgrade provides a platform that will open doors to more views of our data, bringing better insight and value to the State of Arkansas."
—Mark Rago, Interim CIO, State of Arkansas Department of Finance and Administration

WHY SAP HANA & VALUESTREAM / LSI CONSULTING

SAP HANA allows an organization to harness the power of their data and accelerate trusted outcome-driven innovation by developing intelligent and live solutions for real-time decisions and actions on a single data copy. SAP HANA supports next-generation transactional and analytical processing with a broad set of advanced analytics and addresses key areas, which are a top pf mind for the State including:

- Data volume growth: over the last two years alone 90 percent of all global data was generated;
- Predictive Analytics Requirements e.g. Recidivism;
- State-wide analytics requirements, e.g. Spend Analysis (State and University);
- Desire for having ONE Copy of the Data with LESS persistence and MORE innovation;
- In-memory Columnar Technology the enabler for SAP S/4HANA and SAP BW/4HANA, and other applications
- Real-Time 1:1 replication from other non-SAP databases into the in-memory columnar structure without having to batch the data, storing ONE copy in RAW format.
- BW/4HANA the true virtual DW, providing insights across complex and hybrid scenarios, supporting a hybrid approach to analytics à using localized, embedded operational analytics where possible.

The ValueStream / LSI Team developed an approach to the SAP HANA Migration project for the State, which included a key risk mitigation strategy: Implementing Suite on HANA, BW on HANA and BW/4HANA in parallel:
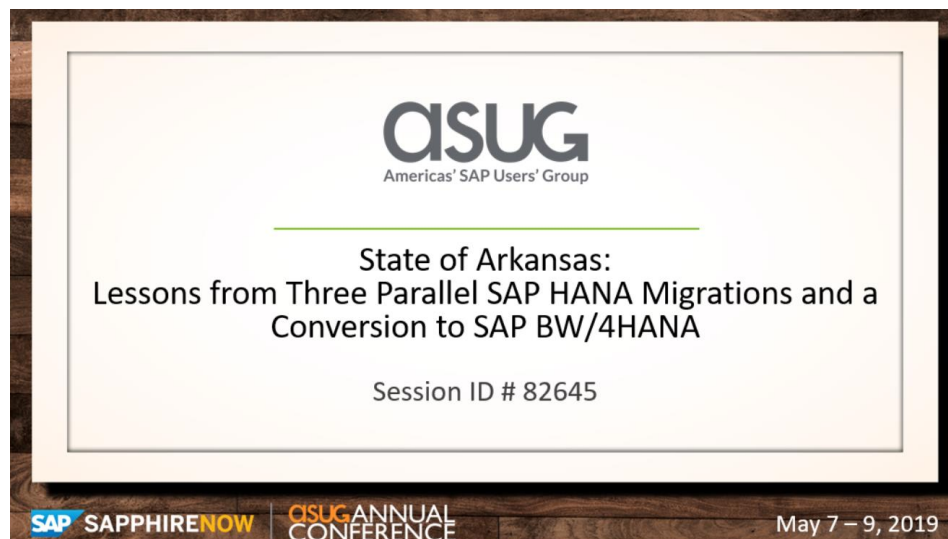
- Project management;
- Find issues early;
- Accurate and Repeatable Migration scripts and runbooks;
- Q-gates before exiting each tier;
- Accurately set and managed Soft and Hard freezes.

ValueStream / LSI was able to usefully deliver an on-time and on budget SAP HANA Migration Project, which meets an exceed the objective of upgrading the entire AASIS landscape including the on-premise ECC systems and the on-premise BW systems, in all landscapes, from an IBM DB2 database backend to SAP HANA backend on appropriate hardware, but also paving a path of innovation and adoption of the SAP HANA technology, which will allow the State to plan on a long-term, results driven roadmap with SAP Technology.

VALUE DRIVEN RESULTS AND BENEFITS

- Bringing the benefits of in-memory computing to 30,000 Arkansas employees and 200 agencies, accelerating the interaction with the ERP system and creating a virtual data warehouse on a single platform to enable innovation and gain insights across the organization.

- On-premise technical upgrade of the entire Arkansas Administrative Statewide Information System (AASIS) technical ecosystem.

- Seamless migration to SAP Suite on HANA, as well as migrating to SAP BW/4HANA, addressing the extreme need for state-of-the-art reporting technology, providing a platform that will open doors to more views of the data, bringing better insight and value to the State of Arkansas.

Shared Success Stories:

Client Reference:

"The State of Arkansas Department of Finance and Administration (DFA) secured services from ValueStream and LSI Consulting for an on-premise turnkey technical upgrade of the entire Arkansas Administrative Statewide Information System (AASIS) technical ecosystem. The project objectives included the provision of SAP HANA Upgrade and Migration services to perform the migration to the SAP HANA Database for both the ECC and BW environments. The end goals included the seamless migration to SAP Suite on HANA, the migration of SAP BW to SAP BW on HANA and the final conversion to SAP BW/4HANA. ValueStream and LSI Consulting have been a great partner and trusted advisor to the State of Arkansas, and we have gained significant benefits from their expertise in HANA database technology and migrations. Their work remains of the highest quality and is considered important in our pursuit of expansion to HANA technologies.", Ken Williams, CIO at the State of Arkansas Department of Finance and Administration (DFA), December 2018.

ABOUT LSI

LSI was founded in 1998 as a dedicated SAP Services consultancy created to offer high impact SAP products and services for Federal, State, Local Government,Transportation, Education, and the Healthcare markets. From our humble beginnings providing SAP implementation services, LSI has become the leader in Public Sector digital transformation.

Today we are taking the lead in applying next level intelligent technologies to enable the Intelligent Enterprise. Technologies that will again transform our industry to world-class levels of transparency, quality and efficiency. As technologies such as artificial intelligence, machine learning, the internet of things (IoT), advanced analytics and blockchain technologies become mainstream, no organization in the U.S is better positioned to harness the power of SAP and the Intelligent Enterprise for public services.

Partnering with Valuestream Inc.

As a core member of SAP's Global Database Migration Factory, ValueStream's dedicated focus is on SAP HANA Migration and Analytics Technologies. Digital transformation requires a migration to in-memory computing and Valuestream consultants have aided SAP with multiple high visibility, complicated and large-scale migrations.The unique combination of LSI's public services domain knowledge aligned with Valuestream's HANA expertise has proven to optimize migrations and implementations for regulated industries.

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LSI's Partnership with SAP

As an SAP Gold Partner LSI is certified to implement and re-sell all components of SAP S/4, Success Factors, Ariba, HANA and Analytics. We are dedicated to SAP only and are the go-to partner for Federal, State, Local Government, Education and Healthcare organizations. We have assisted SAP in best-practices for Public Sector clients by developing requirements and solutions with the SAP Development Team for SAP S/4 Public Sector Cloud, SAP Public Sector Budgeting, and SAP Student Lifecycle Management. LSI is the only implementor that what the first to design and develop SAP training course for Public Sector, and is the only go-to-market partner for Higher Education SAP Student Information System. We are the only SAP NS2 Secure HANA Cloud (SHC), SAP SuccessFactors, SAP Analytics Cloud, and SAP Cloud Platform reseller.

Additionally, LSI has assisted SAP in designing the SAP's Budget Control Solution and engaged with SAP Public Sector IBU around S/4 HANA cloud for public sector. and is now a SAP NS2 Secure HANA Cloud (SHC) reseller.