SAP

Picture Credit | Pironet NDH AG, Cologne, Germany. Used with permission.

PIRONET NDH AG:
Fast and Smooth Carve-Out by Using SAP® Landscape Transformation Software

PIRONET NDH AG

Partner

GAMBIT CONSULTING

Executive overview

Company

Vision

Why SAP

Solution

Benefits

Future plans
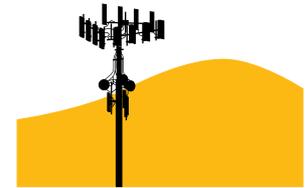
Company
PIRONET NDH AG

Industry
High tech – information technology

Products and Services
Information and communications technology (ICT) outsourcing and cloud services for midsize enterprises, as well as the provision of content management solutions

Web Site
www.pironet-ndh-group.com

SAP® Solutions and Services
SAP® Landscape Transformation software; coaching service from the System Landscape Optimization group at SAP

Partner
GAMBIT Consulting GmbH (www.gambit.de)

PIRONET NDH AG's strategic decision to divest shares of several affiliated companies required carving out a dedicated set of data from the company's SAP® software system. SAP Landscape Transformation software – together with expertise from partner GAMBIT Consulting GmbH – helped to realize all project requirements while **ensuring business continuity and data consistency** throughout the entire transformation process. After the successful project completion, the carved-out data was handed over to the buyer.

Entrepreneurial spirit and a focus on Internet technologies

PIRONET NDH AG is a group of companies – headquartered in Cologne, Germany – that addresses the demands of the IT market, with a special focus on the business areas of cloud computing and content management.

PIRONET NDH Datacenter GmbH, one of the group's subsidiaries, is a leading German information and communications technology (ICT) outsourcing provider for midsize enterprises. The subsidiary offers a full range of operational services for business applications and ICT infrastructures based on modern concepts such as software as a service (SaaS) and cloud computing.

Imperia AG, another wholly owned subsidiary of PIRONET NDH, is one of the leading German providers of content management solutions. In addition to its two main software products – the imperia and pirobase content management systems (CMSs) – the company offers comprehensive expertise in the integration of all types of content applications.

"A seamless combination of SAP Landscape Transformation software, System Landscape Optimization group expertise, and GAMBIT's long-term familiarity with our SAP system was a success factor for realizing our objectives within a three-month time frame."

Felix Hoeger, CEO, PIRONET NDH AG

Realigning the group's business strategy

When PIRONET NDH decided to transform its business activities, shift its focus to two of its group segments – cloud computing and content management – and increase business efficiency, it became obvious that the group needed to realign its organizational structure.

One aspect of the transformation program was the sale of shares in several affiliate companies in the region including Europe, the Middle East, and Africa. Each of the affected companies was represented in PIRONET NDH's enterprise system, based on the SAP ERP application. This divestiture required that PIRONET NDH hand over to the buyer all data from the companies it planned to sell.

PIRONET NDH and the company buying the divested subsidiaries are both professional services companies with long-term client relationships. Both companies wanted to ensure the least possible business disruption during the transformation process and after going live. Hence, a proven and solid technical solution – one requiring minimal system downtime while supporting the migration of historical data – was indispensable.

To identify the best solution for the intended transformation scenario, PIRONET NDH decided to introduce an initial scoping phase. As a long-term SAP customer, PIRONET NDH chose to rely on SAP Landscape Transformation software and, once again, the company engaged its preferred partner, GAMBIT Consulting GmbH, to manage the implementation and SAP applications.

"The business downtime we planned for the weekend we went live with the production conversion was reduced to a minimum – without impacting our daily business routine. SAP and GAMBIT ensured a smooth and consistent carve-out that fully met our expectations."

Udo Faulhaber, Management Board, PIRONET NDH AG

Leveraging state-of-the-art transformation methodology

Constant business growth since its foundation had required PIRONET NDH to integrate several new business entities into its IT landscape. The company had successfully realized these projects using traditional extract, transform, and load (ETL) approaches. In this particular case, however, the transformation complexity could not be covered by applying traditional approaches, but called instead for a more sophisticated solution.

By using SAP Landscape Transformation software, developed by the System Landscape Optimization group, SAP provided a solution that could handle all technical and business-related requirements. These requirements included migration of all historical data, secure and consistent data transfer, a quick cutover with minimum system downtime, and the assured continuity of business processes after going live.

PIRONET NDH's long-term partner GAMBIT, a validated expertise partner for SAP Landscape Transformation software, was engaged to set up the project and perform the technical realization, based on the software's standardized transformation approach.

Felix Hoeger, CEO of PIRONET NDH AG explains: "The SAP Landscape Transformation software is a proven technology that perfectly matched our needs and was available at the right time. Also, our application management workforce profited from the technical advice offered by the project team."

In addition to fully using the SAP Landscape Transformation software, the System Landscape Optimization group from SAP provided coaching and expert guidance for the project team. PIRONET NDH's dedicated in-house SAP staff and GAMBIT's project managers and consultants tackled the overall separation effort successfully.

In-depth analysis and testing in line with best practices

The project blueprint developed over a three-month-long preparation phase and was followed by a testing and execution phase to get ready for final cutover.

After the kickoff, the project team made a meticulous analysis to detect dependencies between the company codes to be carved out and the company codes remaining with PIRONET NDH. Within this analysis, the team had to identify all organizational units, business processes, and related data. Furthermore, it was necessary to close all cross-company-related business transactions to guarantee data consistency and continuity after the final cutover.

The System Landscape Optimization group's experts provided in-depth coaching for the joint team – PIRONET NDH in-house staff and GAMBIT consultants – so it could leverage SAP Landscape Transformation analysis tools and get comprehensive analysis results.

Parallel with the analysis, the team planned and presented to PIRONET NDH's auditors the sequence of cutover steps – including reconciliation activities like checking the balance sheet and profit and loss statements. Because the cutover procedure was fully in line with best practices supported by SAP Landscape Transformation software, the auditors could quickly approve the cutover plan.

The project team dedicated the following two-month-long test cycle phase to performing trial runs. This phase required the largest share of project resources. PIRONET NDH's project team executed the phase while GAMBIT's project management team monitored it.

After the completion of thorough and systematic testing, PIRONET NDH's business and finance departments signed off on the project work and gave their approval for the final cutover.

Thorough testing and a successful cutover

The team's approach to the data carve-out consisted of two main steps. During the first step, a copy of PIRONET NDH's productive SAP system, which had been created at the start of the project, served as a basis for the final handover to the buyer. In the second step, the project team used the SAP Landscape Transformation software to delete all non-divestiture-relevant data from the system copy it had created.

Meticulous planning and thorough testing made the final cutover – which took place over a single weekend – a success. The joint team of PIRONET NDH, GAMBIT, and the System Landscape Optimization group from SAP executed the cutover procedure as planned, without experiencing any incidents.

"We were very pleased to see the accuracy, the efficiency, and, not least, the excellent team spirit in which the cutover was executed," says Udo Faulhaber, management board member of PIRONET NDH AG.

Immediately after going live with the system copy from PIRONET NDH, which contained only data from the sold companies, the buyer was able to continue its business operations.

"The precisely aligned collaboration between GAMBIT, the System Landscape Optimization group from SAP, and Pironet NDH was the basis for the accurate planning and execution of the testing and cutover."

Thomas Pasquale, Managing Partner, GAMBIT Consulting GmbH

On time, within budget, and without business disruption

The extensive transformation functionality of the SAP Landscape Transformation software, coupled with the mature project management skills of the GAMBIT experts – and their long-term knowledge of PIRONET NDH's SAP systems – were a key factor in fulfilling all project expectations.

At the same time as the technical transformation phase was occurring, PIRONET NDH's non-IT project members were still able to execute their

"Looking back on this carve-out project, I have to admit that the overall speed, smoothness, and stability of the transformation were incredible and took us all by surprise. As a matter of fact, the transformation result proved to be a great benefit for both PIRONET NDH and the buying party."

Felix Hoeger, CEO, PIRONET NDH AG

project work – such as the testing and reconciliation of financial figures – even under the workload of the company's year-end closing. Hoeger explains: "Our daily business was not impacted by ongoing project activities and even our customers were not affected by system downtime."

As a result of this successful project, the buyer of the former PIRONET NDH–affiliated companies was able to receive a well-cleansed SAP system, which was ready for full operation immediately after going live.

The SAP Landscape Transformation methodology proved to be the right choice. Neither PIRONET NDH nor the buyer encountered any of the issues that had been typical of former projects that used traditional data transformation approaches. Those issues had included erroneous accounting and controlling assignments, missing master data, and inappropriate user authorizations.

The major achievement of this successful project was the management of failure-free running systems for both PIRONET NDH and the buyer of its divested companies.

Recommending the SAP solution

"It's difficult to assess today whether PIRONET NDH will again need to carve out some of its own affiliate companies in the near future," says Faulhaber. "In today's dynamic markets, system landscape restructuring and optimization projects are the order of the day. Many of our hosting customers are facing similar challenges. Speaking to these customers, I can strongly recommend the SAP Landscape Transformation software approach and, of course, our partners, SAP and GAMBIT."

Hoeger adds: "The positive experience of this carve-out project deepened and strengthened our trusted relationships with both SAP and GAMBIT."

Picture Credit | Pironet NDH AG, Cologne, Germany. Used with permission.

SAP

The Best-Run Businesses Run SAP™