Informatica

Solution Brief

Accelerate ERP Modernization with Trusted Data

As businesses grow and evolve, managing a complex data landscape with traditional **enterprise resource planning** (ERP) systems becomes challenging. Many organizations depend on their ERP, or general ledger system, to manage finance, human resources, supply chain and inventory. With an exponential increase in the data generated by day-to-day business operations over recent years, enterprises are leveraging various legacy ERP platforms to store the associated transactional, analytical or streaming data.

However, legacy ERP systems generally are not fit for the digital transformation initiatives these organizations are actively undertaking. Legacy systems often have rigid workflows, scalability issues, a lack of maintenance support, limited reporting and analytics capabilities, poor user experience and integration challenges with cloud applications.

Increasingly, enterprises are looking to modernize and capture the new market potential provided by the latest ERP systems. For example, SAP has announced that it will end the support for its ECC version by 2027, forcing customers to migrate to S/4HANA. From increased business process efficiency to reduced operational costs and innovations in driving business growth, ERP modernization to the new and advanced S/4HANA will provide enterprises with much-needed business agility.[1]

Key Benefits

- De-risk ERP modernization and streamline the end-to-end data migration process
- Drive business growth and innovation with improved efficiency and reduced operational costs
- Enhance decision-making with insights from trusted and reliable data
- Personalize customer interactions and improve customer service with a 360-degree view of customers

[1] https://blogs.sap.com/2019/11/06/what-is-sap-s4-hana-and-its-basic-benefits/

Getting Value Out of Your Cloud-Based ERP

Simply migrating to a modern, cloud-based ERP system will not enable you to derive maximum value from your ERP modernization program. Business and technical stakeholders must be able to quickly and seamlessly search for and find the data they need. To enable this, enterprises must look for data management capabilities in addition to a modern ERP platform, which can help master data and provide a single consolidated view of enterprise data across various ERP systems. Here are some reasons why a modern ERP system alone will not deliver the value you're looking for:

1. **Limited flexibility and customization:** ERP systems like SAP ERP Central Component (ECC) or SAP S/4HANA often have predefined data models and structures, which makes customization challenging. **Master data management** (MDM) in such systems may require extensive customization, which is costly and time-consuming.

2. **Complexity and user experience:** ERP systems handle many business processes across different lines of business, resulting in complex user interfaces and workflows. Data consumers, especially non-technical users, will likely find managing master data within these systems cumbersome and unintuitive. Navigating various screens, data entry fields and menus can lead to errors, inefficiencies and a higher learning curve.

3. **Integration challenges:** ERP systems are designed to manage transactions and processes across various functions like finance, procurement and supply chain operations. Although they may contain modules for handling master data, they are not specialized systems for stewardship and remediation processes. Integrating data from various sources and presenting a comprehensive view of master data can pose a significant challenge within an ERP system, particularly when the data is spread out across different incompatible applications.

4. **Limited data management capability:** Some advanced ERP systems may support functionality such as business intelligence, advanced analytics or easy access on handheld devices; however, the outcome of these add-ons is only as good as the quality and consistency of data within such systems. That's why you need capabilities like **data cataloging**, **data governance**, data mastering and data quality management to help ensure data is managed and stored effectively throughout its lifecycle.

6 Must-Have Data Management Capabilities

Here are the must-have capabilities you should look for in a data management solution to enable a risk-free and seamless modernization process for your ERP.

1. **Data discovery:** To start, enterprises must perform **data discovery** by undergoing thorough due diligence and assessments of their source and target systems. Scanning and profiling before engagement can help you make informed decisions and reduce the overall modernization time and cost. For example, scanning source applications can help you understand which datasets have a lower dependency on business operations and can be migrated easily without disruption. Profiling of datasets can uncover any compliance risks associated with data sharing or related datasets that must be migrated together for data consistency.

2. **Data quality:** **Data quality** assessment and remediation are some of the most critical capabilities for any modernization effort. When a user is assessing the source data for migration, they can use built-in, automatically generated data quality scorecards to determine the data quality level. It's essential to maintain data quality before migrating data to target systems and to only bring over high-quality data. If existing low-quality data is brought into a target system, it can negatively impact your ability to use your data for decision-making.

3. **Data stewardship and data governance:** Beyond quality data, you also need **data stewardship** and data governance to help ensure that your data is compliant with industry standards and of value to users throughout the data lifecycle — from creation to disposal. Data stewardship goes a step further than data quality to impact the overall health and effectiveness of data spread across the organization. Data governance creates data trust for consumers by providing seamless access to good-quality data as and when needed.

   By regularly assessing the data assets in ERP systems and carefully measuring them against established data quality standards, data retention policies and data governance frameworks, data stewards can make sure that enterprise data across ERP systems is compliant. This helps guarantee that the data is governed, fit for purpose, remains relevant and doesn't pose any future compliance risks if new regulations or policies are introduced.

4. **Master data management:** MDM helps ensure that the data across your ERP systems is accurate, complete and consistent across all departments and functions, regardless of where it lives. It centralizes key master data domains — such as customer, supplier, product and more — and reduces the complexity of managing multiple data onboarding points. By rationalizing data across ERP systems, MDM enables the creation of a single, trusted view of data. It also uncovers the hidden relationships among various master data domains. MDM empowers business users with access to high-quality, relevant data, enabling them to make more-informed business decisions.

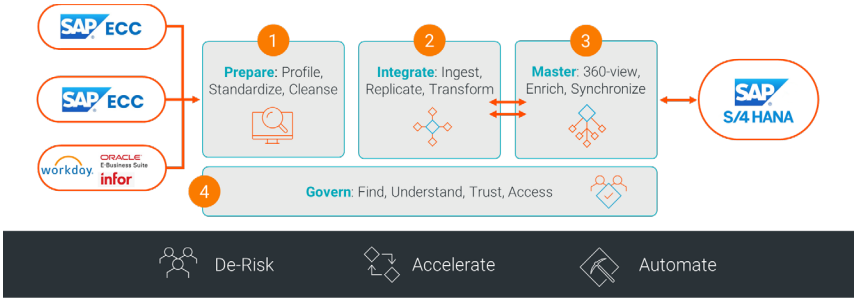

Figure 1. This four-step framework shows how to manage your data across the SAP landscape.

5. **Data Integration:** **Data integration** helps enable real-time data synchronization between different ERP applications and databases. This helps give all relevant stakeholders access to accurate and up-to-date information, eliminating data inconsistencies. With enhanced visibility into business operations data — such as sales, inventory, production and financial — you can streamline operations, improve efficiency and optimize resource allocation. By integrating and harmonizing data, you can also create a centralized data repository for analytics purposes, enabling predictive analytics and driving better business outcomes.

6. **Augmented data management:** For large-scale ERP modernization programs, it can be overwhelming to keep track of all the data management initiatives. Hence, enterprises must leverage augmented data management techniques, which use artificial intelligence (AI) and machine learning (ML) technologies to automate various data management processes. These include **data profiling**, data quality assessment, match and merge, data integration and others. In addition, augmented data management can also help provide analytics programs with deeper insights into data quality and usage, enabling ERP customers to make more-informed decisions.

The Solution: Informatica Intelligent Data Management Cloud

For ERP modernization programs, enterprises should look for solutions that provide an array of data management capabilities, from integration and governance to data quality and master data management. Enterprises will benefit from the scalability of usage, interoperability and ease of use while getting access to all these capabilities under one roof.

Informatica Intelligent Data Management Cloud™ (IDMC) is a one-stop shop for a range of data management capabilities.

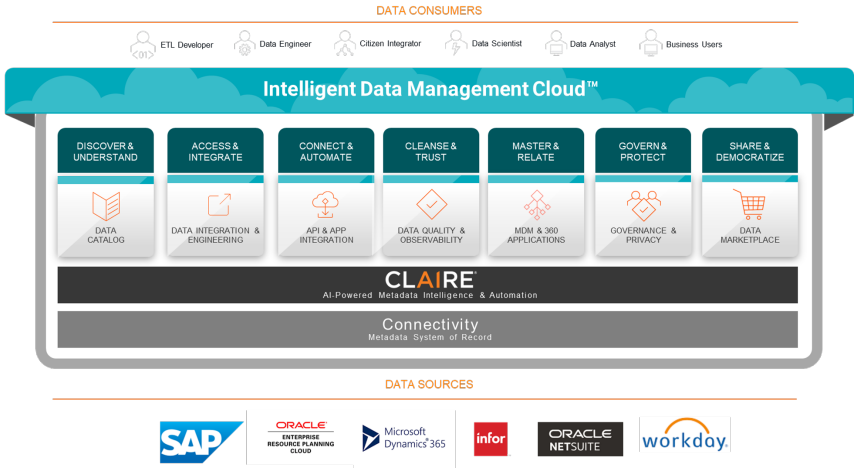

Figure 2. Master your data across your ERP systems with the Informatica Intelligent Data Management Cloud.

Powered by our AI engine, CLAIRE®, IDMC provides the data intelligence and context that every organization needs to innovate and succeed in their ERP modernization program.

Informatica Intelligent Master Data Management is a cloud-native offering that manages virtually all domains of master data in a single SaaS solution supported by IDMC. It provides market-leading capabilities built on a modern microservices architecture and makes extensive use of AI to automate and scale the practice of mastering data across your ERP systems.

With pre-built 360 SaaS applications like **Customer 360**, **Product 360**, **Supplier 360** and many more, Informatica provides customers with the ability to master customer, supplier and other data domains across heterogeneous ERP systems. This gives you a modern cloud experience with increased productivity and agility.

The Informatica MDM extension is a ready-to-use package that extends the capability of MDM solutions. For example, the **Informatica SAP extension** can be used to integrate SAP and Informatica Customer 360 as well as to process the SAP records in Customer 360. These SAP extensions can be used to import data from SAP ECC and SAP S/4HANA to Customer 360 in batches. They can also master the records in Customer 360 along with your other customer data sets that might be sitting across other ERP platforms.

Similarly, Informatica has a range of other ERP extensions, connectors and scanners — like **Salesforce Extension for Customer 360**, **SAP Financial Management Extension for Reference 360**, **SAP Connector**, **SAP scanner** and many others that help process data from different ERPs to accelerate your modernization program.

Get Started on Modernizing Your ERP with IDMC

Master data management, data quality, data governance and data integration capabilities have proven to be critical in decision-making, driving operational efficiency and innovation. So, enterprises need to ensure that these data management capabilities are intrinsically rooted in their broader ERP modernization efforts. Get started with a **30-day free trial** from Informatica.

Informatica (NYSE: INFA) brings data to life by empowering businesses to realize the transformative power of their most critical assets. When properly unlocked, data becomes a living and trusted resource that is democratized across your organization, turning chaos into clarity. Through the Informatica Intelligent Data Management Cloud™, companies are breathing life into their data to drive bigger ideas, create improved processes, and reduce costs. Powered by CLAIRE®, our AI engine, it's the only cloud dedicated to managing data of any type, pattern, complexity, or workload across any location — all on a single platform. Informatica. Where data comes to life.

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