

## **Press Release**

### **Switch off legacy systems, save money, produce legal security**

***Asahi Breweries Europe shut down 25 legacy systems in Central and Eastern Europe and reduced operating costs for access to legacy data***

**The acquisition of the Central and Eastern European business of SABMiller by the Japanese Asahi Group made headlines in 2016. Less known is the strategic SAP project of this business division: Switching to a uniform SAP solution and switching off almost 25 ERP-systems.**

The concentration in the brewing trade increases steadily, even so much that the competition regulators have become active during the mega take-overs in recent times. Thus the authorities insisted that Anheuser-Busch InBev sell its businesses in the Czech Republic, Slovakia, Poland, Hungary and Romania during the course of its acquisition of SABMiller. As the undisputed Number One in Europe, Anheuser-Busch should not be in a position to make its market position more dominant. For Japan's Number One in the brewery business, Asahi Group, it was the perfect opportunity to develop a strong presence in Europe. And in fact Asahi Breweries Europe is, thanks to the take-over, the Number Three in the European beer market today and the proud owner of such famous brands as that of the Czech beer "Pilsner Urquell".

Acquisitions and high market concentration are signs of intensified competition with major pressure on the margins. The beer market in Europe is highly competitive. As in the case of all major companies, the IT heart of a company beats in the ERP system. SABMiller had over 25 such systems, partly from local providers, in use in Central and Eastern Europe. SABMiller had initiated a strategic SAP data migration project to achieve synergy effects and thereby corresponding savings in licences, computer centre infrastructure and maintenance: the consolidation of all ERP-systems in one uniform SAP solution, which was to be operated in a single central computer centre.

#### **Data archiving alone does not suffice**

Leave alone the immense technical and personnel expenditure, the financial benefits of this project seem to be clear. "The whole remains however a 'naive assumption' when one neglects the availability of the historic data. The ERP data from the legacy systems, whether in the field of finance or personnel, are subject to various country-specific retention periods and have to be correspondingly made available for a long time", as emphasized by Maciej Malczynski, Head of Portfolio and Programs, IS Projects at Asahi Breweries Europe. "Data archiving is not an adequate solution here. Ultimately all relevant records and documents have to be stored in the original business context."

That means as a rule that the original systems must continue to be operated as long as the data is to be preserved for statutory reasons. In the case of Asahi Breweries Europe, this would have led to individual systems, particularly in human resources, being operated for up to fifty years. The economizing effects by centralizing on a uniform SAP solution would be nullified in the long run.

“When the decision was taken for a uniform SAP template in 2015, it was quickly clear that along with that, we would have to migrate the legacy data together with the business logics to a new ideally central platform and independent of the original systems and yet with full legal security that we could continue to access it, “Maciej Malczynski emphasized.

The search for a custom-fit solution, which also promised long-term low operating costs, proved to be more challenging than expected. On the market there are only few solutions available. Maciej Malczynski emphasized: “It was all the more gratifying, when in autumn 2015 we hit upon the data migration solution JiVS. Everything fell into place here: the range of functions, procurement and operating costs, references and operating models.”

### **Closure of legacy systems requires support of top management**

The JiVS project took a total of 18 months and required some customer-specific developments, in order to extract and legally ensure the data from the partly very special legacy systems which were no longer supported by their original manufacturers that is without changes and changeability, to migrate to a technically newer format.

Through application retirement approximately 25 legacy systems could be thus switched off. A total of 10 TB of data, which were all normalized on a SQL-format, and 20TB of documents were migrated and stored on the JiVS platform. About 40 users from the F&A departments could thus access the historic legacy data at any time, which are affixed in addition with an expiry date. When this is reached, then the Retention Management of JiVS automatically releases the deletion process.

“The historicization and switching off of the legacy systems must run so to say ‘on the sidelines’, as the transfer to the central SAP-solution used a major part of our internal resources”, Maciej Malczynski emphasized. “We were happy when Data Migration also took over the operation of the solution for us. We used the platform as data and document access as a service. And till now everything functions perfectly. None of our users has the right to change anything in the records and the transfer of displayed information takes place of course with high encryption.”

The last of the legacy systems was switched off in April 2017 and thus the historicization of the legacy data and documents by means of JiVS was concluded. Even though the number of users of such a solution, since it deals with legacy data, is naturally limited, it requires support of the top management. “That was however easy to obtain, for the business advantage was apparent. In our case it was said that: By shutting down we save as much every year, as what the whole project had cost. And the fees for access as a service are significantly lower of the earlier expenses for operation and maintenance of the legacy systems which have been shut down, Maciej Malczynski calculated. “However the resistance from the special departments was very high, as always when it deals with financial data and legal conditions. One cannot underestimate that. That is why the support from the executive floor is crucial for the overall success of the project.

### **Platform for legacy data and legacy documents - conformable to new privacy law**

At present Asahi Breweries Europe is evaluating the effects of the new EU General Data Protection Regulation (EU-GDPR) on its own IT landscape. The transition deadline

including the exemption from fines and penalties ended on 25<sup>th</sup> of this year. With the JiVS project, Asahi Breweries Europe has taken an important step, in order to fulfil the conditions of the EU regulation, at least as regards the legacy data and legacy documents. This is because by using the data migration tool JiVS, the brewery is in a position to ascertain by the touch of a button at the level of the historic stock which person-related data and information was stored and its context. Asahi Breweries Europe thus fulfills its obligation for information towards the supervisory authorities as also towards its customers. On the other hand the company can always undertake deletions at any time, if the evaluation should arrive at a qualifying conclusion.

“For financial as also legal reasons the JiVS project emerges more and more as an investment in the future”, summarizes Maciej Malczynski. “After all that I hear from my colleagues in other companies, I am of the opinion that we are in a comfortable starting position, with regard to the EU-GDPR”.