

TURBO-IT:

## LEGACY SYSTEM DECOMMISSIONED IN 4 WEEKS - ABB SAVES 600,000 EUROS

After ABB Turbocharging acquired engineering company Tekomar, only four months remained until Tekomar's ERP licenses would expire. With information management platform JiVS, ABB was able to decommission the legacy system in only four weeks - and saved 600,000 euros.

Acquiring and reselling companies has become a popular way of quickly reacting to changes in the market and increase innovational potential. This corporate agility, however, has to be present in every aspect of business to achieve ideal synergy effects when merging and separating companies and departments. This is especially true for IT departments as they have to quickly react to mergers and acquisitions (M&A) without causing additional costs or higher staff deployment.

"Acquisitions always mean an increase in complexity for IT departments," explains Hock-Ann Tan, IS Project Manager, ABB Turbocharging, and responsible for the decommissioning of Tekomar's ERP solution. "Every acquired company has its own IT landscape which is almost always different from the one of the buyer. More heterogeneity means more complexity, and more complexity means more work and higher costs. From a business perspective, this reduces the value of an acquisition."

For this very reason, major companies pursue a standardization strategy in IT. Every department has to use a central application and system landscape. With 147,000 employees in more than 100 countries, technology company ABB's standard system for ERP is SAP.

In 2018, ABB acquired engineering company Tekomar. Its software for diagnosis and guidance allows for the optimization of performance and longevity of marine diesel and was therefore a perfect fit for ABB's offer. ABB is a market leader in manufacturing and maintenance of turbochargers for diesel and gas engines ranging from 500 kW to over 80 MW. Over 200,000 ABB turbochargers are currently

in use in ships, power plants, generators, locomotives, and mining and construction vehicles all over the globe.

### Enormous time pressure

"Tekomar's software is invaluable to ABB - their IT environment, not so much. In October last year, the M&A department approached us and told us that Tekomar's licenses for its cloud ERP solution would expire at the end of February 2019," recounts Hock-Ann Tan. "Our task therefore was to find a cost-efficient and simple solution for Tekomar's legacy data in only four months."

The solution had to be technologically feasible and economically sustainable. After the migration of necessary data, legacy systems can't be simply shut down for legal reasons. Legacy data and documents have to remain unchanged and be stored until their legal retention period is over - in this case, this would have meant 13 more years. Migrating data often changes its structure, which means that many companies have no choice but to continue operating legacy systems.

Hock-Ann Tan and his team therefore had to find a solution for Tekomar's legacy data which was significantly more cost-efficient than the continued operation of the legacy systems. "We had three options," says Hock-Ann Tan. "Option one, continued operation of the legacy systems with minimal resources - if the provider would allow it. Option two, an archiving solution for legacy data suitable for our IT systems, which would guarantee that information remains unchanged. And option three, an approach independent of providers and systems which would allow us to migrate legacy data without changing it."

The provider of the ERP cloud did not allow the company to realize option one. Because of its strategy focused around SAP, ABB also didn't have a suitable archiving solution, so option two was off the table. Option three was ABB's only possibility, and it presented a significant challenge: Good solutions are scarce in the market. "This didn't exactly make our task easier, with the enormous time pressure and all. However, a recommendation lead us to Data Migration Services AG and its solution JiVS."

### **Turbo solution required**

JiVS is a platform for information management based on Java, making it independent of the underlying system or platform. The process for audit-proof data extraction and storage is certified by auditors which guarantees legal security. JiVS stores all data and documents with their corresponding business contexts and documents every step. Consequently, it's easy to prove that legacy information has been migrated to JiVS unchanged. If necessary, auditors and users alike can access this information through a browser almost identical to the interface of the legacy system. To guarantee the truthfulness of the information, users only have authorization to read it, not change it. Another advantage of accessing data through a browser is that JiVS can be used as cloud service and doesn't have to be implemented at the customer.

"Technology-wise, JiVS immediately convinced us. Furthermore, it was also more cost-efficient than any of our alternatives," says Hock-Ann Tan. "This made it easy for me to convince management of its benefits. Consequently, we decided on Data Migration Services as project partner." The annual licensing costs of the legacy systems were 60.000 euros. JiVS as a Service's maintenance fee is only 10.000 euros annually. For the project of legacy data migration, the company had to pay a one-time fee of 60.000 euros.

Consequently, JiVS already achieves cost savings after only a year - and for the other 12 years legal retention period, JiVS saves ABB 600,000 euros. This is possible because JiVS' maintenance fee for 12 years is equivalent to the annual licensing fee of two years.

The contract was signed in December last year, and the legacy data migration could begin. After analyzing the data sets, it became clear that some invoicing data and the corresponding documents had to be printed out as PDFs. In general, the migrated data and documents consisted of orders, invoices, receivables, and liabilities.

### **Valentine's Day present: 600,000 euros**

After all preparations including PDF printing and the implementation of a secure data transfer method through Secure FTP were finished, the migration of legacy data to JiVS happened before Christmas 2018. On Valentine's Day 2019, the user accounts for the legacy systems were deleted once and for all. The project therefore accomplished its set goal: there were no additional licensing fees for the legacy system as it was decommissioned before its licenses expired.

"This is true turbo IT," concludes Hock Ann-Tan. "We reached all our goals. Our IT remains homogeneous, there is no additional effort required on our part, and the costs are significantly lower compared to the continued operation of the legacy system. Furthermore, we are meeting all our legal obligations. With JiVS, decommissioning legacy systems isn't a risk anymore - it's a chance."