

in Focus:



APPLICATION RETIREMENT

SYSTEM DECOMMISSIONING SAVES MILLIONS FOR AXA INVESTMENT MANAGERS

Enterprises are continuously looking for new ways to make savings through restructuring or the realignment of business priorities. More often than not these changes have an impact on the IT landscape. Systems are retired, and new systems implemented or relocated. But through all this, legacy systems remain – as do the technical, business and legal challenges involved in keeping them running, all just to be able to access historical data. Meeting these challenges head on is [AXA Investment Managers \(AXA IM\)](#). The company's Real Asset division took an innovative approach to system decommissioning, supported by the [JiVS platform](#) from Swiss provider Data Migration International. The result? Savings of around one million Euro over a ten-year period, approximately a third of the company's SAP operating costs. Plus the advantage of reliable legal security with guaranteed access to legacy data for the legally specified period.

“Over a period of ten years we have saved around one million Euro in operating costs. That adds up to approximately a third of what it costs to run our SAP systems in the Real Asset division – and all this after retiring just one system.”

Urs Hutter,

*Senior Project Manager, Real Assets IT,
AXA Investment Managers Switzerland Ltd*

Challenge

“The fact that there’s a difference between replacing and retiring a legacy system is not common knowledge in the corporate world,” stresses Urs Hutter, Senior Project Manager, Real Assets IT at AXA IM. “System decommissioning has an important role to play in cost and risk management, as well as internal restructuring and business model realignment,” he adds from experience.

With over 800 billion Euro of assets under management and more than 2,300 employees worldwide, AXA Investment Managers is one of the largest asset management firms in Europe. Assets managed by the firm include investment funds, securities and bonds, and real estate assets. *“Our goal is to generate the maximum income from our clients’ assets and pass these gains on to them,”* explains Urs Hutter. He is one of a team of six responsible for the IT systems supporting AXA IM's global real estate business.

Previously AXA IM dealt with the entire real estate process, from selection, purchase and construction to renovation and lettings, but several years ago the company decided to outsource their real estate management processes (including lettings). As a result of this restructuring, AXA IM implemented a new SAP solution. This replaced a previous SAP system,



which had used the SAP Flexible Real Estate module (SAP RE-FX) to map the company's real estate management processes.

This gave rise to a critical question – how could AXA IM ensure secure access to the legacy system's data for the ten-year period specified by law? This was further complicated by the fact that the system was running on outdated hardware – and neither the software provider nor the hosting company were keen to take responsibility for ensuring reliable operations during the mandatory storage period.

Solution

"We had no other choice. We had to shut down the system and at the same time make sure that access to the legacy data was legally compliant. Back in 2014, when we first started looking for a solution, it seemed like an impossible task – or at the very least only feasible with a disproportionately high investment in human and financial resources," reports Urs Hutter. "Luckily an external consultant was familiar with Data Migration International and the JiVS platform, and the first contact was made from there."

On closer inspection, the solution seemed almost too good to be true. A visit to a major reference customer in Switzerland gave Urs Hutter the opportunity to see for himself how easy it is to implement and operate the JiVS platform, and how it helps companies meet their project targets – all at a fraction of the cost of other solutions. *"In the end, it was an easy decision,"* remembers Urs Hutter. *"The platform really does deliver what it promises."*

AXA IM signed on the dotted line in late 2016 and before the ink was dry, the project was up and run-

ning. In December, the JiVS platform's SAP plug-in was installed in the hosting provider's data center to enable legacy data to be transferred to a hard drive. This was necessary to comply with AXA's security standards, which prohibited remote access to internal systems. The legacy data was then uploaded to the JiVS platform, which is managed by a hosting provider in Switzerland. After detailed testing and final sign-off by the relevant departments, the project came to fruition in early January 2017 – less than three months after it began.

The solution continues to prove its worth in a current decommissioning project, which kicked off in late 2019. By shutting down this additional SAP system, AXA IM aims to increase the efficiency of its internal processes. *"After our positive experience with the JiVS platform three years previously, we never even considered using a different solution for this project,"* stresses Urs Hutter.

The data was extracted at the end of 2019, followed by intensive tests to establish whether all of the data had been transferred and whether key users – around 50 accountants worldwide – could access the information they needed in the JiVS platform. *"The success of these kinds of projects is dependent on involving the relevant departments from the get-go. At the end of the day, it's our role in IT to support their work, not the other way around. This is the only way to ensure user acceptance, a prerequisite for project success,"* advises Urs Hutter.

Discussions with business users revealed the need for an additional view of legacy data on the JiVS interface, not included in the standard version. *"This was the only customization we needed to carry out. Now, nothing stands in the way of shutting*



down the system,” adds Urs Hutter. Around 353 GB of data und 40,000 tables were transferred to the existing JiVS platform in the same way as the legacy data three years before.

Benefits

“Over a period of ten years we have saved around one million Euro in operating costs. That adds up to approximately a third of what it costs to run our SAP systems in the Real Asset division – and all this after retiring just one system,” Urs Hutter sums up. *“Using the JiVS platform to decommission systems also supports risk and compliance management, as access to legacy data is guaranteed for the full duration of the legally prescribed period. Storing data in Switzerland is also an advantage, easing compliance with regulatory requirements for Swiss legacy data.”*

Cost savings and legal security – these two benefits in particular demonstrate the advantage of decommissioning a system, as opposed to replacing it. Maintaining legacy systems for the sole purpose of satisfying legal obligations is not only uneconomical. Over time it also gives rise to technical and security risks, which in turn jeopardize legal certainty.

“In IT, it’s essential that we make the case for this approach across the entire company. In the coming years, large-scale system replacements are certainly on the cards at group level. In real estate

management, we have shown that it makes more business sense to go one critical step further – and completely dispose of the system after it has been replaced,” concludes Urs Hutter with an eye to the future.