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SAP SuccessFactors Employee Central Payroll: Migrating from SAP ERP HCM Payroll to SAP SuccessFactors Employee Central Payroll

Document Details

Name	Objective	Audience
SAP SuccessFactors Employee Central Payroll: Migrating from SAP ERP HCM Payroll to SAP SuccessFactors Employee Central Payroll	Provide a reference for considerations and directions for customers who are on SAP SAP ERP HCM Payroll and want to move to SAP SuccessFactors Employee Central Payroll.	SAP SuccessFactors Customers: IT and HR professionals; SAP SuccessFactors Implementation Partners: Consultants, solution architects and project managers

Change Log

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Contribution

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The recommendations in this document are based on the functionality available up to SAP SuccessFactors release mentioned above. Future functionality can impact the recommendations provided by this document. We strive to keep these recommendations up-to-date, however, in case you find that recent new functionality has not yet been considered in the latest version of this document, please reach out to your Customer Success Manager / Partner Delivery Manager or send an email to SAPSuccessFactorsIDPDoc@sap.com.

Implementation Design Principles (IDPs) for SuccessFactors solutions are delivered by SAP for helping customers and partners on how to choose the most appropriate strategy and solution architecture for SuccessFactors implementations. IDPs are compiled taking into consideration the experience of many implementation projects and addressing frequent business requirements as well as real-life implementation challenges. They are continuously reviewed and updated as product functionality evolves. In addition, the reader is advised to read and familiarize with essential and additional product-related documentation which includes Implementation Guides, SAP Notes, SAP Knowledge Base Articles, and additional assets as referenced in this document, see chapter 8.

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1. TERMINOLOGY

The following table explains some abbreviations used in this document.

Abbreviation	Description
EC	Employee Central
ECP	SAP SuccessFactors Employee Central Payroll
ERP	SAP Enterprise Resource Planning often referred in the document pertains to SAP HCM on premise system
HCM	Human Capital Management
IDP	Implementation design principles for the SuccessFactors suite
OM	Organization Management
PA	Personnel Administration
PCC	Payroll Control Center
PT	Time Management
PY	Payroll
YTD	Year to date

2. ABSTRACT

This Implementation Design Principle is intended for customers currently using an on-premise SAP ERP HCM Payroll to run their Payroll processes and are looking to migrate to SAP SuccessFactors Employee Central Payroll (ECP) as part of their cloud journey. The SAP SuccessFactors Employee Central Payroll (ECP) product is based on SAP's ERP HCM on-premise payroll engine and delivered in a hosted environment. SAP SuccessFactors Employee Central Payroll is a standardized service offering where although the core engine is the same as the SAP on-premise payroll engine; from a development, support, licensing, solution scope and integration perspective it is a separate product. This document addresses the differences between the two products and provides considerations and guidance on migrating from SAP ERP HCM Payroll to SAP SuccessFactors Employee Central Payroll.

3. INTRODUCTION

Several SAP customers who have had SAP ERP HCM as part of their current landscape have either moved to SuccessFactors or are considering moving to SuccessFactors. SuccessFactors offers modules across the entire HCM suite, such as Learning, Compensation, and Performance Management. Most of these functionalities are re-implemented on SAP SuccessFactors due to changes in the underlying data structures as well as processes and features which are available in SAP SuccessFactors and follow the traditional implementation path.

The payroll functionality available in SAP ERP HCM is extremely mature and has been in existence for several years. Customers, especially the larger ones have invested considerable time, effort and resources to implement, customize, support, maintain and keep current over time. Such customers would like to leverage their investments in ERP HCM Payroll and explore the possibilities of migrating their SAP ERP HCM Payroll solution to SAP SuccessFactors Employee Central Payroll (ECP).

While from a data structure and payroll functional feature parity perspective, both SAP ERP HCM Payroll and SAP SuccessFactors Employee Central Payroll (ECP) are largely similar, it is important to understand some of the philosophical differences. ECP is delivered as an independent and complete payroll only solution while ERP HCM Payroll is implemented as an end to end business solution which includes Time recording and evaluation as well as Benefits and further post payroll downstream integrations to Finance and other systems. Hence, the solution for migration, and/or integrating with these functionalities needs to be evaluated and planned for in the context of the move to ECP.

This document will review some of the key concepts of the SAP ERP HCM Payroll solution and compare these with Employee Central Payroll solution, benefits of moving over to Employee Central Payroll. Further the document will discuss the considerations for migrating the ERP HCM Payroll solution to Employee Central Payroll and look to provide guidelines, migration processes

and SAP tools or features which can be leveraged. The migration will be addressed in three sections, Configuration; Development objects like Reports, Integrations, custom enhancements; and Data.

Whilst the market place may have third party vendor-built solutions to automate the migration from ERP HCM Payroll to Employee Central Payroll, this document will focus on the considerations, steps and available SAP features with the aim of educating the implementation team and providing them with a reference document to support their migration project.

SAP ERP HCM Payroll versus SAP SuccessFactors Employee Central Payroll

Let us look at some of the key characteristics of both payroll solutions and the key differences between the two solutions and motivation for customers to move to Employee Central Payroll.

SAP ERP HCM Payroll:

SAP ERP HCM Payroll is the original global payroll solution delivered by SAP on the ERP HCM on-premise platform and has been serving the needs of numerous customers over the years. Payroll as a completely integrated end to end solution exists on the SAP ERP HCM platform and is integrated with other associated functionality in common architectures such as

- ERP HCM Payroll and ECC (Finance, Controlling, Accounts Payable, CATS, Plant Maintenance) in the same instance
- ERP HCM Payroll and ECC (Finance, Controlling, Accounts Payable, CATS, Plant Maintenance) in separate instances
- ERP HCM Payroll and ECC modules integrating with Talent functionality in SuccessFactors in a Talent hybrid architecture
- ERP HCM Payroll and ECC modules integrating with Core HR (Employee Central) functionality in SuccessFactors in a Core hybrid architecture

Additionally, in many On-Premise systems, both HCM and non-HCM applications such as Finance and Controlling, Production Planning, Materials Management, Plant Maintenance etc., could exist on the same SAP instance as HCM or on another non HCM, SAP instance. The HCM instance is separated in cases where customers desire their employee information and processes are managed separately from other functionality.

In recent years, with the release of S4 HANA, customers with non-HCM applications in SAP ERP are gradually upgrading to the S4 platform. A move to the S4 platform may involve considering a move of their HCM applications to the cloud via an implementation of SuccessFactors Employee Central. Payroll applications will then either be moved to Employee Central Payroll or continue ERP HCM Payroll with an integration to Employee Central in a core hybrid architecture.

SAP SuccessFactors Employee Central Payroll

SAP SuccessFactors Employee Central Payroll is a service offered by SAP in which SAP SuccessFactors Employee Central is utilized as the core HCM system of record and operations for employee master data. Employee master data is integrated via point to point integration with Employee Central Payroll which is a separate offering for payroll. The solution is based on SAP's ERP HCM on-premise payroll engine and delivered in an SAP hosted environment. Though the core engine of Employee Central Payroll is the same as the SAP on-premise payroll engine; from a development, support, licensing, solution scope and integration perspective it is a separate product.

SAP SuccessFactors Employee Central Payroll is a standardized service offering. Functions and features of the Employee Central Payroll solution are limited to the payroll use case. SAP SuccessFactors Employee Central Payroll has a higher level of standardization than SAP ERP HCM Payroll.

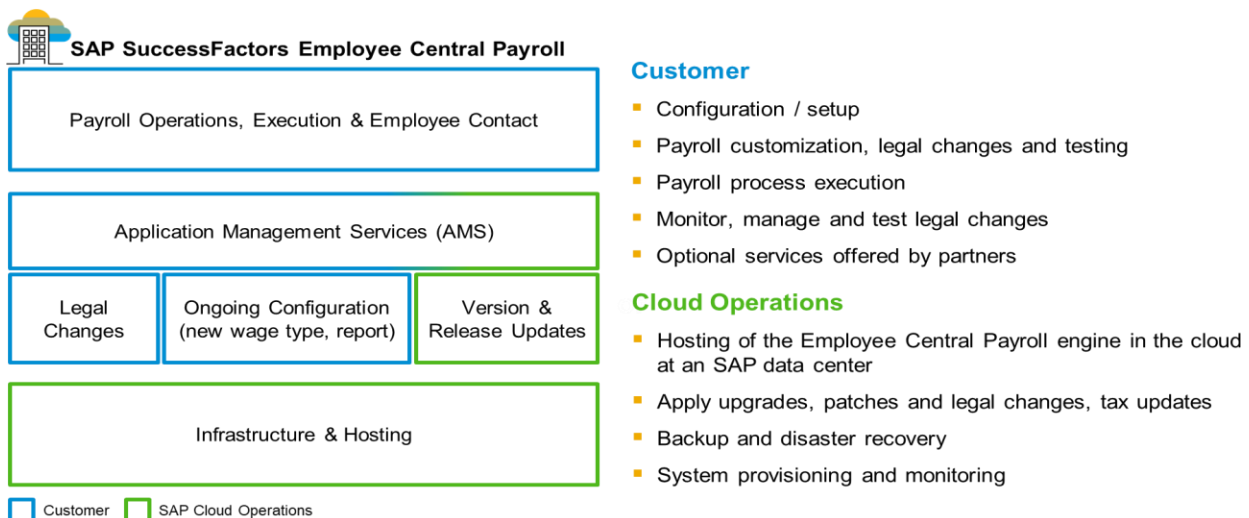
For example:

- Employee Central Payroll does not use Organizational management, Workflow, time related self-services, such as leave requests. Instead, Employee Central Payroll uses respective Employee Central functionality (or 3rd party certified by SAP).
- Position and job information needed for legal reporting is replicated to infotype 0001 and Organizational Management is switched off.
- Workflows and Self Services are done in Employee Central

- You must have a leading time management system, for example Employee Central Time Off or a 3rd party time management system to cover major time processes, such as absence management and time recording
- All integration scenarios can leverage existing interfaces for the integration with Employee Central Payroll (For example infotypes 0007, 2001, 2010). Custom-built solutions based on other payroll or time-related infotypes are permitted to cover gaps.
- Modifications of SAP source code are not permitted
- Extensibility options are limited compared to on-premise SAP ERP HCM

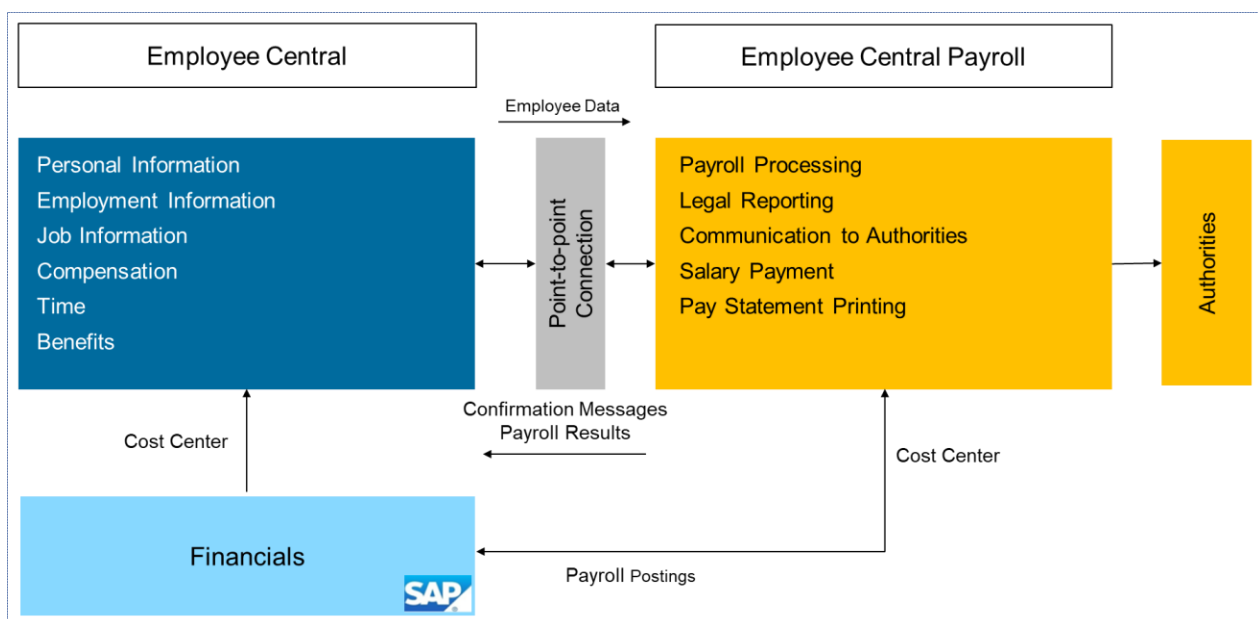
The complete functional scope of the service offering is described in the [Employee Central Payroll Scope document](#). Please refer to the most current version of the document on [SAP Help](#) prior to starting the migration or implementation project. Also please note: Log in with SAP S-User credentials may be required.

Since Employee Central payroll is offered as a service, the distribution of work between SAP Operations and customer are described in the [Employee Central Payroll services catalog](#). A snapshot version of the distribution of services is provided below. Please refer to the most current version of the service catalog, available on [SAP Help.com](#)



Employee Central is a prerequisite to use Employee Central Payroll. The Employee master data is maintained in Employee Central as system of record, meaning all HR events are maintained in Employee Central. Payroll relevant data is replicated to Employee Central Payroll via Point-to-Point Integration. Payroll specific infotypes are maintained through Employee Central using UI mashups.

Below is an example of the typical landscape and data flow across Employee Central and Employee Central Payroll.



Comparison of Payroll functionality between SAP ERP HCM Payroll & SAP SuccessFactors Employee Central Payroll

Although the core payroll engine for both the solutions is the same, there are some key differences between SAP ERP HCM Payroll and Employee Central Payroll. One of the major differences, as outlined above, is that Employee Central payroll requires core employee master data be mastered within Employee Central and replicated to Employee Central Payroll which acts as purely a Payroll solution. There are some differences in functionality offerings. Typically, Employee Central Payroll has higher level of standardizations compared to ERP HCM Payroll, but configurations and changes are allowed, although customers are not permitted to make core modifications or make changes to implicit enhancement spots. Employee Central Payroll also is not the master for associated payroll functionality such as Benefits & Time processing. This functionality could either be in Employee Central Time or Employee Central Benefits or could be integrated with a leading 3rd party solution extension for Time or Benefits.

SAP SuccessFactors Employee Central Payroll runs on the same engine as SAP ERP HCM on-premise payroll. The framework of payroll schemas, wage types, and calculation rules is the same. The difference is in the approach and implementation. The advantages are controlled by a customer's transformational and standardization initiatives.

The table below presents a list of topics for comparison between SAP ERP HCM on-premise payroll and SAP SuccessFactors Employee Central Payroll.

Topic	SAP ERP HCM Payroll	SAP SuccessFactors Employee Central Payroll
Organization Management functionality	Organizational objects and relationships are maintained in Organizational Management and referred to within Payroll as needed	Foundational elements are captured in Employee Central and replicated to Employee Central Payroll on infotype 0001. Organizational Management is turned off in Employee Central Payroll
Time Management functionality	Comprehensive time recording and evaluation tightly integrated with Payroll	Employee Central Payroll uses a leading time management system, either Employee Central Time and Attendance or a 3rd party time management system to cover major time processes such as absence management and time recording. Time evaluation, say (RPTIME), can be used if the corresponding time data is maintained outside Employee Central Payroll
Benefits administration	Comprehensive and integrated Benefits administration.	EC Payroll uses a leading benefits system, either Employee Central Global Benefits or a 3rd party benefits solution to cover major benefits processes. Global benefit plans like pensions, insurances, or other allowances are managed in Employee Central or in a 3rd party solution. Contributions to these plans (deductions) or claims are maintained in Employee Central and replicated into Employee Central Payroll infotypes 0014 and 0015.
Country-specific payroll versions	Available in most countries	Currently available in 47 countries as of May 2021. For the most current list of countries supported please refer to SAP Help documentation
Customizations, including modifying core objects	Modifications are allowed although, Implementations face challenges during upgrades	Modifications of SAP source code are not permitted. Extensibility options are limited compared to on-premise SAP ERP HCM.
Tax updates	Payroll departments must handle tax updates, including BSI Tax factory updates in the US	Please refer to the Employee Central Payroll Services catalog for services available to support tax updates
User interface (UI)	Traditional Back-end SAP UI	SAP SuccessFactors Employee Central UI across both systems, which creates a consistent experience for users across

		SAP SuccessFactors Employee Central and SAP SuccessFactors using "Mashed-up infotypes" allow payroll data to reside in payroll while the UI is of SuccessFactors
Pay slips and pay stubs	Smart Forms/ SAPscript	Pay slips/ pay stubs are implemented using HR Forms and these can be accessed via Employee Central self-service functionality
Reporting	Standard delivered and custom ABAP reports available	Legal Reporting requiring payroll results or formatted outputs remains in Employee Central Payroll. Legal Reporting based on employee master data only is covered in Employee Central. Communication to legal authorities is done by Employee Central Payroll.
Landscape / Instance management	Driven by customer IT demands / requirements	Please refer to the Employee Central Payroll Services catalog for landscapes required / available
Operating costs	IT maintenance and support costs since these are procured and supported by customer.	As a hosted application, some services are executed by SAP. Please refer to the Employee Central Payroll Services catalog for services distribution which impacts customer costs

Motivation for customers for migrating from SAP ERP HCM Payroll to SAP SuccessFactors Employee Central Payroll

Here are some common motivations for customers to migrate from ERP HCM Payroll to Employee Central Payroll.

- Cloud Strategy for HR – Customer has established a cloud strategy for HR applications and wishes to move applications to the cloud.
- Standardize and Simplify – Customers may have a complex and customized ERP HCM and payroll solution. on their on-premise version. As HR has many functionalities, the on-premise solution may not offer the offerings that cloud modules offer.
- Employee Central is Core HR Platform – The customer has made the decision to leverage Employee Central as their core HR platform. With this decision, there are few functionalities left in On-Premise and it is an opportunity for the customer to review the utilization of in-house infrastructure. SAP SuccessFactors Employee Central delivers core HR for diverse and global workforces to can help automate HR processes, ensure compliance, and build meaningful relationships with employees.
- Business case for migration – Customer has developed a business case that outlines the value in moving to EC Payroll considering,
 - Maintaining investment in SAP Payroll
 - Does not require a full re-implementation of payroll. Configuration and data can be migrated from ERP HCM Payroll to Employee Central Payroll
 - Reduce long term Total Cost of Ownership
 - Smoother and less expensive upgrades; reduced change management; no physical infrastructure cost; reduction of technical (Basis) costs; improved integration with Employee Central
 - Future proof payroll solution
 - Latest SAP functionality released to customers via releases. No timelines on maintenance
 - Simplify and Innovate
 - Migration provides an opportunity to standardize, improve and automate and leverage new functionality, Opportunities include,
 - Simplification of payroll support processes: When evaluating this migration goal, it provides an opportunity for payroll departments to review their service delivery approach and at optimizing resources, considering that Employee Central payroll is delivered as a service.
 - Evaluate and standardize the wage type and pay components catalogues: Cleaning up these catalogues by excluding older legacy values not being used anymore and standardizing across the organization, makes it easier to for ongoing data maintenance

- Simplify integrations as well as identifying consolidation opportunities: Include upstream as well as downstream interfaces in opportunities for consolidation.
- Leverage Employee Central: to simplify HR administrative processes that typically go together with payroll. Some examples include termination actions and final payments from payroll, workflow approvals for pay changes and impact on payroll, Retroactive data changes in Employee Central

4. BUSINESS REQUIREMENTS

FUNCTIONAL SCOPE AND TECHNICAL CONSIDERATIONS WHEN PLANNING A MIGRATION

In this section we will review some of the functional and technical considerations that a customer must consider when planning a migration to Employee Central Payroll. The considerations discussed below will have an influence on the scope, complexity and hence effort to transition from SAP ERP HCM Payroll to SAP SuccessFactors Employee Central Payroll.

4.1. Functional Requirements

Functional scope can be broadly classified as Geographic scope, Payroll Process scope, Data and Archiving scope.

Geographic scope:

In the context of payroll, geographic scope implies the number of countries where employees of the customer work and for whom payroll needs to be configured and executed. It is important to validate if the countries in scope are supported by the Employee Central Payroll solution.

Another factor to be considered is the opportunity to consolidate more than one ERP HCM Payroll solutions across different geographies into a single consolidated Employee Central Payroll solution running multiple countries.

The key questions from a geography perspective will be

- Are all countries in scope supported in Employee Central Payroll?
- Is a single payroll system or multiple payroll systems for different countries being utilized in legacy which can be consolidated into one global Employee Central Payroll system?

Employee Central payroll software solution offers embedded localization for over 47 countries (as of release May 2021) – and its features are fully integrated with the core HCM, time tracking, and benefits capabilities in SAP SuccessFactors Employee Central and offers

- Global payroll processing
- Local languages and best practices
- Legal payroll compliance
- Real-time payroll monitoring

Payroll process scope:

Another important consideration is the scope of payroll relevant processes covered in the legacy solution and their mapping in Employee Central Payroll. As discussed in section 3.0 – Introduction and Problem statement, the coverage of Payroll business processes is not 1:1 with ERP HCM Payroll and hence a determination needs to be made for the processes which are not directly covered in Employee Central Payroll and which may need integration with Employee Central, a SolEx or a 3rd party solution.

It is recommended to create an inventory of processes which have currently been implemented and then mapped to the new solution after considering opportunities for standardization. For this exercise, some of the key questions which need to be considered include,

- What processes currently in scope are not directly supported in Employee Central Payroll?
- How will these processes be managed?
- Are there opportunities to rethink, standardize processes?
- Any other key process decisions due to consolidation of payroll solutions?

As discussed in section 3, Process scope discussions are driven by some key considerations such as

- Employee Central Payroll does not offer Cross-Application Time Sheet (CATS) and associated time evaluation. However, Employee Central does offer absence management, absence accruals, and timesheet functionalities, hence an evaluation of the customer's needs, solution mapping in Employee Central Payroll needs to be completed
- For positive time tracking and time evaluation, Employee Central Time sheet and Time off functionality or third-party SolEx products such as Kronos or Work Force Software need to be evaluated.
- Core modifications and enhancements are not allowed in Employee Central Payroll
- Employee Central has global benefits functionality available; some functionality may be limited for certain countries.
- Core HR functionality such as dynamic actions in SAP Personnel Administration to default values such as tax information are not available since core HR has moved to SAP SuccessFactors Employee Central. Employee Central business rules and mapping via BADIs in the integration layer can help in such cases. Payroll tasks feature in EC Payroll can also be used to support.

The table below captures the functionality and process scope within ERP HCM Payroll and their corresponding implementation options when migrating payroll to Employee Central payroll

Functionality	SAP ERP HCM	SuccessFactors suite
Employee Master Data	Personnel Administration (PA)	Employee Central (EC)
Payroll	Payroll (PY)	Employee Central Payroll
Payroll Master data	Personnel Administration (PA)	Employee Central Payroll
Time Management	Time Management (PT)	Employee Central Time-Off / Time Sheet <i>Workforce (Solution extension)</i>
Timesheets	Cross Application Time Sheets	Employee Central Time-Off / Time Sheet <i>Workforce (Solution extension)</i>
Benefits	Benefits	Employee Central Benefits <i>Benefits Focus (Solution extension)</i>

Data scope

The scope of data that needs to be included in Employee Central Payroll is another key area for consideration. Employee Central Payroll is not the source of core HR data. Core HR data will be stored and maintained directly in Employee Central. It's also important to note that Organizational Management is not supported in Employee Central Payroll, so these data elements will not be included in Employee Central Payroll since it is delivered as a payroll solution. Customers must understand that Employee Central Payroll is not meant to be used as an archiving solution. Historical employee and payroll data are only to be migrated to Employee Central Payroll only if it is required within a country to support the payroll solution.

Some of the key legacy and historical data related considerations include

- Can legacy core HR data be moved to Employee Central?
- Employee and payroll master data captured in ERP needs to be migrated to Employee Central and Employee Central Payroll. Employee master data is captured in Employee Central, while Payroll relevant master data is captured in Employee Central Payroll.
- Employee Central Payroll can only process employees mastered in Employee Central hence Employee Central Payroll should not contain any employees that are not mastered in Employee Central.
- Storing of Master Data of Contingent workers is not allowed in Employee Central Payroll
- How much history of employee master data shall be / has been migrated to Employee Central?
- How much history of employee master data and payroll results shall be migrated to Employee Central Payroll?
 - What are the data requirements to support current year payroll?
 - Employee Central Payroll should only contain historical information to support current year payroll and going forward in order to be able to
 - Calculate cumulated numbers
 - Calculate averages
 - Support retroactive calculations
 - Support legal reporting requirements

- Employee Central Payroll cannot be used to store historical data which is not needed for current and future payroll processes. It is not an archiving system. Hence
 - Data which is only needed for data retention process should not be migrated to Employee Central Payroll
 - Data to support trend reporting over past years should not be migrated to Employee Central Payroll
 - Historical configuration data such as currently not used locations, wage types, work schedules etc need not be brought over to Employee Central Payroll. Only configuration and picklist values to support current and future payroll needs to be brought over
- Where will historical data be archived?
 - Since Employee Central Payroll should not be used as an archiving system a plan needs to be thought thru for archiving payroll history data from legacy ERP HCM Payroll.

4.2. Technical Requirements

Technical considerations for migration to SAP SuccessFactors Employee Central Payroll include evaluation items such as the following:

Integration considerations

Some Customers may be already live with Employee Central and integrating to ERP HCM for Payroll via standard delivered integrations on Boomi or SAP Integration Suite middleware platforms on a core hybrid architecture. These customers would need to transition to delivered Point to Point (PTP) integration. PTP utilizes the same functional concept of sending data between Employee Central and Employee Central Payroll, but rather than using middleware, the solution leverages a direct connection via RFC. Hence no middleware exists in this case. This capability is much faster than the middleware-based solution and has additional features that make this a more seamless solution. As part of the move to Employee Central Payroll, these customers should migrate the middleware-based replication functionality to the Point-to-Point (PTP) replication capability that is available for Employee Central Payroll customers.

Current Interfaces in scope

In addition to the Point to Point integration, customers must also carefully consider all other integrations that are required from payroll. Many of these interfaces already exist on their On-Premise solution, but there may also be new integrations as a result of migration to Employee Central Payroll. Existing integrations may need to be modified to handle any data elements that changed during the migration to Employee Central Payroll, but legacy interfaces can be leveraged as a baseline.

Typical Interfaces to be Considered:

- Payroll Accounting and Third-Party Remittance Postings to the financial system of record
- Financial master data elements from the finance system. Example: Cost Centers, GL Accounts
- Relevant time and attendance data needed for payroll
 - From Employee Central Time off and Time sheet using point to point integration
 - From 3rd party Time and attendance systems (solution extensions like Workforce or Kronos). Standard integrations are available from Workforce and Kronos and are supported by SAP and the vendor.
 - For other 3rd party systems for which a delivered integration may not exist, this will need to be accounted for and built by the project team
- Benefits deduction information from benefits system or vendors
 - From Employee Central Benefits
 - From 3rd party Benefits systems like Benefits Focus (solution extension)
 - Additional integrations to Benefit Plan vendors as needed by the customer / vendor.
- Any other 3rd party vendors with relevant pay information to be considered in payroll
- Replication of payroll results to Employee Central
- Legal Interfaces

Some of the key considerations include:

- Are there any delivered interfaces to be leveraged?
- Are there any new interfaces to consider?
- Can existing legacy interfaces from the on-premise system be used without any changes
- Are there any other impacts to interfaces based on the shift from a middleware platform to point to point integration?

Reporting requirements

Reports must also be assessed when considering the move to Employee Central Payroll. Customers typically utilize a blended approach of standard and custom reports. For standard reports, the same reports that are available in ERP HCM Payroll will continue to be available in Employee Central Payroll. For customized reports, the considerations are very similar to interfaces. These include

- Are there any new reports to consider?
- Do reports need to be migrated to Employee Central?
- Can customized reports be lifted and shifted into Employee Central Payroll?

Custom Extensions

Customer specific requirements for payroll are typically accommodated via the use of payroll functions, operations, reports, custom infotypes and schema configurations. These can be migrated via transports into Employee Central Payroll. Employee Central Payroll does not permit core modifications or changes to implicit enhancement spots. Employee Central Payroll standardization allows customers to leverage BAdI's to enhance default logic which can be created to process logic after standard mapping of fields but before infotype updates or alternately logic which is processed after standard import for an employee but before saving the infotypes.

Considerations for supporting customization / extension or core modifications include

- A thorough analysis to identify all custom objects in ERP Payroll to determine if
 - These are supported via configuration such as payroll functions / operations or can be resolved via BAdI's
 - Modifications are not needed since functionality can now be replaced via Employee Central functionality (Absence handling etc.,)
 - Modification can be accommodated / replaced via BAdI or a customer report etc
 - Modification is no longer needed – requirement is obsolete or can be been accommodated by other means as above

5. SOLUTION OVERVIEW AND CONCEPT

MIGRATION APPROACH

In the earlier sections we reviewed many of the considerations which a customer needs to aware off and plan for, prior to embarking on a migration project. In this section we will review some of the design and implementation considerations for migration

The migration project for migrating ERP HCM Payroll to Employee Central Payroll needs to consider all aspects such as data and process integration which are needed to complete the entire process lifecycle. Each of these elements would need to be factored within the planning cycle of the migration project

- **Employee master data:**

A pre-requisite to implementing Employee Central Payroll is that Employee Central is the system of record for all employee master data for an employee (payroll relevant master data is mastered in Employee Central Payroll). Only employees mastered in Employee Central can have payroll run by Employee Central Payroll. Personnel Administration modules are directly mapped into Employee Central. Some payroll specific master data may be captured in Employee Central or captured directly within EC Payroll and accessed via mash up screens in Employee Central to provide a single front end for the master data user. The Payroll tasks features facilitates updating master data in EC Payroll. Please note that Organization Management is turned off in the Employee Central Payroll environment.

- **Time recording and evaluation**

An evaluation of the legacy implementation of Time recording and evaluation needs to be carried out, processes and requirements need to be mapped to SAP SuccessFactors Time sheet and Time off functionality to check for coverage. Time sheet and Time off functionality offers instant processing of time data at the point of entry as opposed to time evaluation processes in ERP which are scheduled as a batch job. The functionality is constantly being enhanced and improved and should cover most scenarios.

In cases where larger gaps are identified in functionality offered by Employee Central Time Off/Time sheets, SAP provides the option to integrate with third party providers via a solution extension (SolEx) arrangement. Kronos or Workforce software are SolEx's available for Time management. Please note that new integrations to Employee Central and Employee Central Payroll will need to be planned for.

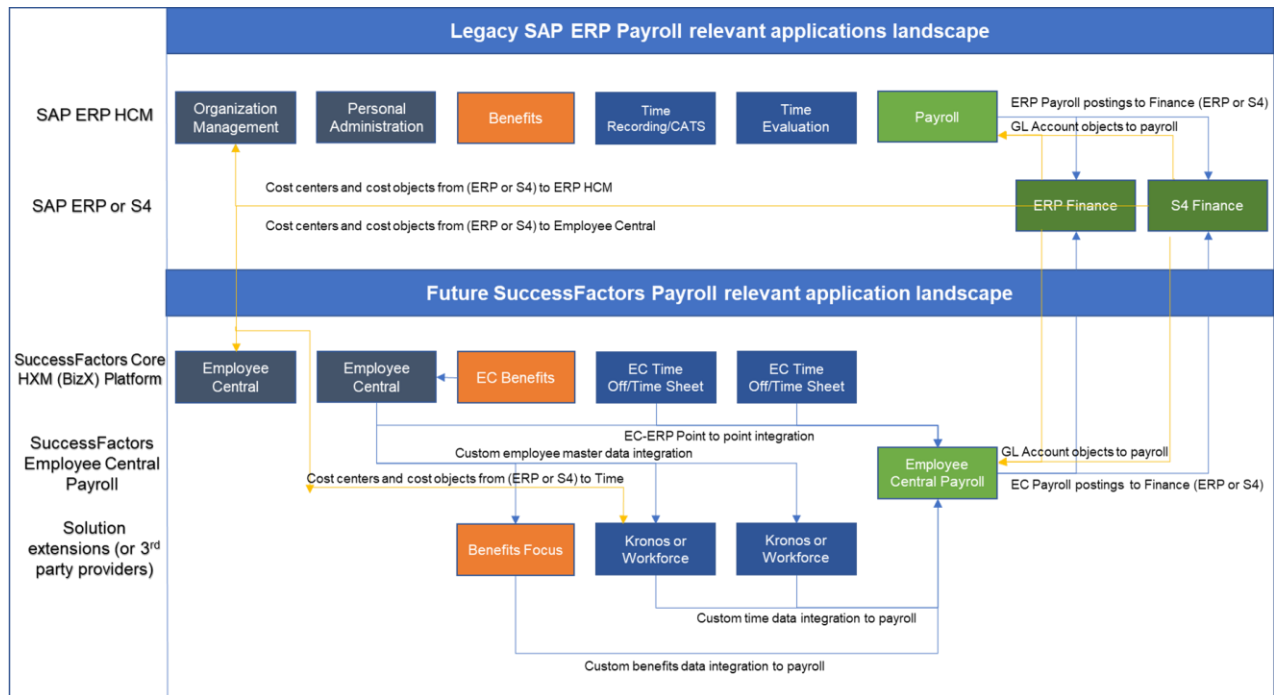
- **Benefits Administration**

SAP SuccessFactors Benefits provides comprehensive benefits functionality and is built to be a flexible, powerful and scalable global benefits framework. Customers will need to evaluate the functionality to map it to their requirements to determine appropriate fit. In case of significant gaps solution extensions like Benefits Focus can be evaluated. Please note that in case of SolEx solutions new integrations to Employee Central and Employee Central Payroll will need to be planned for.

- **Integration to ERP or S4 Finance:**

Integration of Employee Central Payroll with ERP or S4 Finance (or 3rd party finance systems) for posting of payroll results will need to be tested.

The picture below provides a high-level integrated process flow within the legacy ERP HCM environment which maps to the new Employee Central- Employee Central Payroll integrated landscape.



6. DETAILED SOLUTION

MIGRATION PROCESS FOR SAP ERP HCM PAYROLL TO SAP SUCCESSFACTORS EMPLOYEE CENTRAL PAYROLL

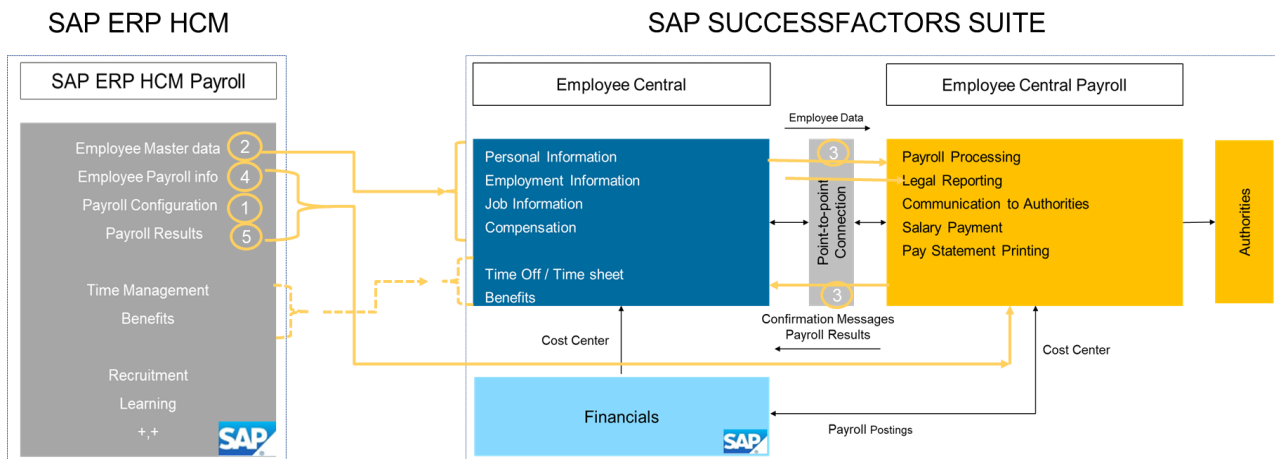
Most SAP ERP HCM Payroll customers, however large or small have implemented and are maintaining a customized payroll environment which has stabilized over a period. Moving to Employee Central Payroll allows customers to leverage their investment of time, effort, knowledge and confidence on the current system by adopting a migration approach versus going in for a costly and time-consuming payroll implementation on a new system. This is feasible since the core engines of ERP HCM Payroll and Employee Central Payroll are largely the same.

In this section we will focus on the steps to be followed and considerations to be accounted for whilst migrating from ERP HCM Payroll to Employee Central Payroll.

As shown in the diagram below, the sequence to be planned and implemented in order to migrate include

1. Migration of Payroll Configuration
2. Migration of employee and payroll master data
3. Migration of Payroll results
4. Validation of data

There are SAP as well as some third-party tools and accelerators available to support a migration project.



Please note: Time and Benefits configuration/data is not considered within the payroll migration effort and needs to be planned/implemented separately in parallel to the payroll migration project

It is important to note that migrating to Employee Central is not a continuation or copy of the existing ERP Payroll system. The system is set up initially as an empty system with the highest version of the software components needed to run payroll.

6.1. Migration of Payroll Configuration and development objects

Customizations which include configuration and development objects in the source ERP HCM system can be migrated to Employee Central Payroll by transports via an SAP Cloud Operations ticket. It is important to note that the target system is on the highest version of the software and hence the source ERP HCM system needs to also be on the same release or the difference in release and legal patch levels need to be accounted for (e.g. some data fields may not exist in the older release in the source system) when planning the migration.

Migrating configuration

It is important for the project team to analyze existing configuration in the source system to determine which configuration objects need to be migrated. Most customers have a mature payroll implementation and may have over the years gathered configuration which is now obsolete and hence need not be migrated to the new payroll environment. Examples of obsolete configurations could be foundational elements or wage types and other obsolete values in configuration tables.

The move to the new system also provides an opportunity to clean up or redesign some configuration elements such as codes for some objects such as the Personnel and Enterprise structures due to mergers and acquisitions or harmonizing of financial postings

An option would be to make these changes in the source system prior to packaging a transport(s). The challenge with executing these changes at the source, is that generally migration project teams would not be allowed to make changes in a productive ERP Payroll landscape. This situation can be circumvented by acquiring or repurposing another client in the development environment in the ERP HCM system where such changes can be developed and tested. An important consideration while making changes in the source environment is that these changes should be representative of the Employee Central Payroll environment. It is also recommended to not move redundant wage types and configurations to the repurposed client.

The objective in this case, is to bring into Employee Central Payroll only those configurations that would be valid in the Employee Central Payroll environment.

Depending on the volume of changes required and the operational feasibility of creating a copy of a development environment to make changes at the source another option would be to de-activate Time and Benefits configuration and package all existing payroll configurations in ERP to be migrated to the Employee Central Payroll development client and then undertake any clean up or fine tuning required for Employee Central Payroll before migrating to QA/Test and onwards.

The implementation project team and the customer payroll team are best equipped to decide on the approach.

Migrating custom objects

Custom objects include any core modifications, addons implemented, custom programs, enhancements, RICEFW's. Prior to migrating these over to Employee Central Payroll, a thorough feasibility analysis needs to be carried out to identify those objects that can and need to be migrated. An important consideration is that no core modifications or implicit enhancement spots are allowed in Employee Central Payroll and hence alternative solutions for requirements that were solved by modifications or enhancements need to be planned. It is possible though to create new payroll functions, operations, implement Business Add Ins and new development objects such as tables or programs within the customer name space in Employee Central Payroll.

You can make use of two types of Business Add-Ins (BADIs) to enhance the standard logic provided by SAP.

1. The BADIs processed after the standard mapping logic but before the infotype update.

Each infotype has been provided a specific BAdI. They can be used to extend or modify the mapping logic for the respective infotypes. Update to the Infotype Framework is not required.

2. The BADIs processed after the standard import logic but before save.

These BADIs can be used to extend the replication scope to infotypes that are not a part of the standard set. The update to the Infotype Framework must be done within the BAdI including comparison between old data and mapped data.

Feasibility Analysis for custom development objects should include:

1. Identify modifications (SAP service)
2. Provide business requirements of identified modifications (customer task)
3. Classify modifications
 - a. Modification is obsolete
 - b. Modification is not needed because functionality is replaced by Employee Central functionality (e.g. absences handling)
 - c. Modification is not needed because functionality is not needed in the country (if not all countries are migrated)
 - d. Modification is allowed (e.g. customer payroll functions and operations)
 - e. Modification is replaceable by a technical alternative (e.g. customer report instead of a modification)
 - f. Modification cannot be replaced by technical alternative, but business requirement needs to be fulfilled

Migrating or Lifting and shifting configuration and development objects via transports needs to be grouped into logical groupings such as

Configuration and Custom Objects	Migration (Lift and Shift) Approach
Enterprise Structure, Personnel Structure configurations	Bundle all customizing in a transport
Infotypes	Bundle all dropdown customizing values in a transport
Payroll Wage Types	Bundle all wage type configuration tables in a transport
Payroll Processing related config tables and features	Bundle all customizing in a transport
Payroll Rules and Schema	Bundles all rules and schemas in a transport
Custom Payroll Functions and Operations (used in Payroll Schema)	Bundle all custom objects in a transport
Cost Objects Configurations (Cost Centers, Internal Orders, WBS Elements)	Bundle all customizing in a transport
Configuration for General Ledger Accounts, Funds Management	Bundle all customizing in a transport
Custom Objects (Enhancements, Programs, Objects, Infotypes)	Bundle all custom objects in a transport

These transports can then be sequentially migrated into the target system via an SAP Operations ticket. The target Employee Central Payroll system is now enabled with Payroll configuration from the source ERP HCM Payroll system. Configuration needs to be unit tested adequately prior to data being migrated from the source system.

6.2. Migration of Data

Please refer to section 4.1 Functional considerations for migration, Data scope to review the planning and design considerations with respect to migration of current and historical data required to support payroll in the new Employee Central Payroll system.

Migration process:

The migration process is generally split into three steps.

- **Migration of employee master data:**

As a first step migrate employee master data from ERP HCM to Employee Central, care is to be taken to transform the data to Employee Central values. Data migrated from ERP HCM represents the complete set of data needed to implement Employee Central. Employee data is generally migrated to Employee Central as of the hire date of the employee followed by the current information as on the date of cutting over. Transactional data which is in between the hire date and the current date is stored within the ERP HCM system. SAP Infoporter tool which is built for data migration and integration between an SAP ERP HCM system and Employee Central is the recommended tool for this process.

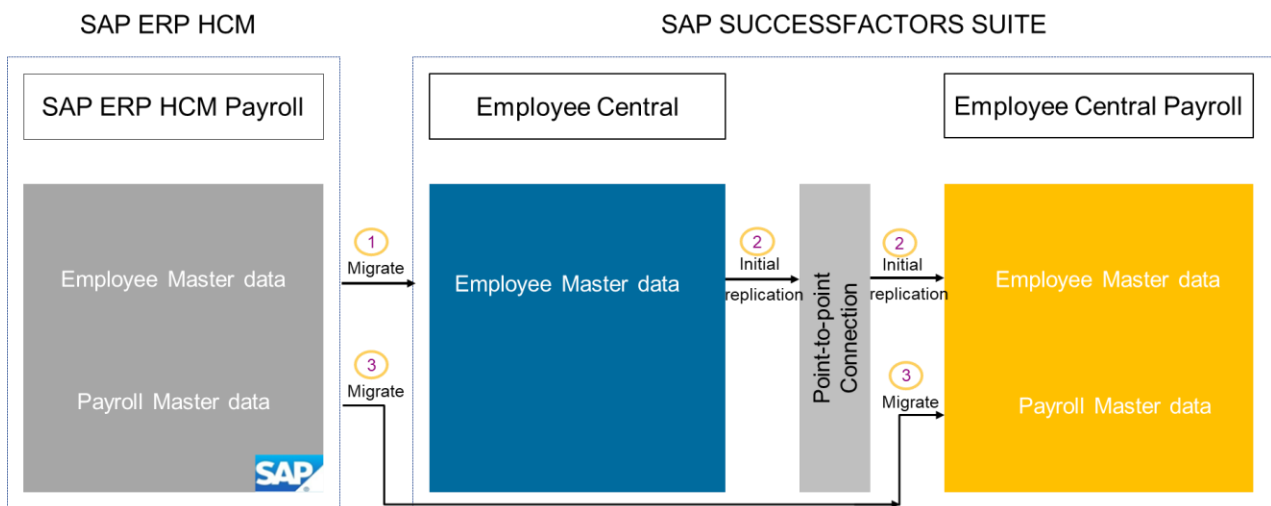
This step may not be required if Employee Central has already been implemented and employee master data is already available and productive in Employee Central.

- **Initial replication from Employee Central to Employee Central Payroll:**

Once data has been migrated to Employee Central, it can be migrated to the Employee Central Payroll environment by running the Point to Point integration for the first time. This initial run of the PTP integration establishes the main mapping table which is used to map employee key fields in Employee Central with the corresponding records in Employee Central Payroll. The Full transmission start date (FTSD) is set as the cut over date. This ensures that only data, on or after the FTSD is transmitted from Employee Central to the Payroll system.

- **Migration of Payroll data:**

Some data which is only relevant and required for payroll such as Tax information for an employee is then migrated from ERP HCM to Employee Central Payroll using a migration process. This data is not captured within Employee Central directly but can be maintained via a user interface in Employee Central by implementing the concept of mash up infotypes for payroll information.



6.3. Migration of Payroll Results

The migration of payroll results is influenced by each customer's specific scenario,

A simple 'Lift and Shift scenario' would be one, where Time Management was not implemented in ERP

HCM and it has been determined that there will not be any redesign of Payroll configuration. In this case, it is possible to perform retroactive calculations in Employee Central Payroll, similar to ERP HCM Payroll thus providing a seamless transition from ERP HCM Payroll to Employee Central Payroll.

In such a scenario, it can be decided how far the system should perform retroactive calculations and payroll results for these pay periods can be converted. Generally, the leading practice is to retro-back to the start of the current tax year.

In a more practical 'Lift and Shift scenario' where configurations have been adjusted/ cleaned up, wage types have been redefined, it is recommended for YTD results for the current year be converted. If the system is not going live at the beginning of a quarter, it is recommended for both YTD and QTD results to be converted. The YTD and QTD conversions are dependent on tax reporting year as applicable for each country.

Please note that for customers with employees in the US and using US Tax Reporter for year end reporting, wage types will need to be migrated for each pay period of the current year. US Tax relevant Infotypes 207, 208, 209, 210 would also need to match the pay periods in order to be able to pick up the correct tax authorities for tax reporting and W2's.

The database tables including Payroll Cluster Tables cannot be migrated from ERP HCM Payroll to Employee Central Payroll, therefore all data needs to be uploaded into either EC or Employee Central Payroll tables.

Payroll cluster tables are built by following the following steps:

1. Map the old wage types to new wage types
2. Convert data from old wage types to new wage types
3. Load the data into Table T558B, T558C and country specific tax tables. For example, T5U8C for US
4. Execute the Payroll Schema xLK9 for the period prior to Go-Live. This would enable payroll results to be uploaded for pay periods prior to Go-Live Date.
5. Adjust the Payroll Control Record retroactive accounting date to the pay period of Go-Live.

6.4. Post Migration validation

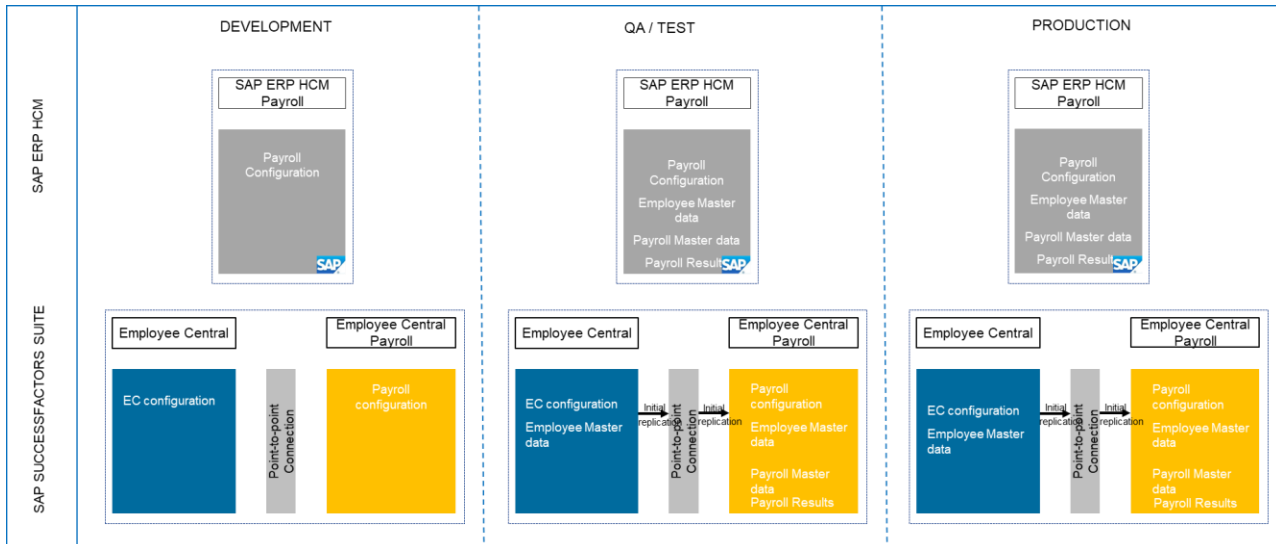
After completion of the migration process it is necessary to validate the configurations and data migrated to ensure accurateness and quality. If feasible payroll results should be compared by running payrolls in parallel with ERP HCM Payroll. Integrations need to be migrated and connected with production environments at both ends. Additionally if US Tax Reporter has been implemented, this needs to be tested on migrated data to ensure that W2s and Year end reporting is accurate.

Following are some of the tools which can be leveraged to aid in validation:

- Wage type check tool
The wage type tool can help the project team to confirm whether the configuration of wage types is accurate. It is a useful tool to identify wage type configuration issues. In a situation where configurations have been bundled and transported into Employee Central Payroll, this is a good tool to validate whether all the configuration tables have been accurately moved.
- Payroll Control center to analyze the quality of data migrated to payroll
The Payroll Control Center can be used to analyze the quality of data - whether the WPBP infotypes are all updated, whether the wage types in IT0014, IT0015 are assigned correctly to the right employee groups, whether the employee pay groups are mapped correctly to the employee locations and employee groups, whether the benefit plans have been assigned to the right group of employees.
- Payroll parallel runs
Running payrolls in parallel between the legacy ERP Payroll instance and the new Employee Central Payroll system provides confirms migration accuracy and confidence to the project team. At a high level the steps to carry out payroll parallel runs include –
 - Obtain the YTD converted data from the legacy system.
 - Employee Central Payroll system should be loaded with transactional data from the ERP HCM Payroll System
 - Verify master data and payroll YTD conversion
 - Execute different payroll frequencies (Weekly / Semi-Monthly / Monthly) for the upcoming pay-period
 - Compare the results of Employee Central Payroll with ERP HCM Payroll. This can be done with automated testing tools.
 - Resolve the exceptions and perform root cause analysis
 - Repeat payroll runs till acceptable match of payroll results is achieved.

6.5. Migration Project Implementation Stages

A typical three tier ERP HCM to Employee Central Payroll migration instance landscape is represented below. This instance layout consists of a Development environment, a QA/Test environment and the Production environment.



At a very high level the steps of migrating through the landscape would include:

1. Creating a copy of the development client of the ERP HCM Payroll instance to represent the migration project development environment, as a starting point for migration. In case of a lift and shift of configuration as is in the ERP HCM system, this step will not be needed, and configuration may be copied via transports from the ERP development client (jump to step 3).
2. Reviewing, making updates, cleaning out code values etc., in order to prepare the payroll configuration to be migrated.
3. Bundling the configuration to be moved into transports
4. Establishing the RFC connections needed between the ERP HCM Payroll environment and the Employee Central Payroll environments
5. Moving configuration to the Employee Central Payroll development environment using an SAP Operations service.
6. Transporting configurations from Employee Central Payroll development to Employee Central Payroll QA / Test environments
7. Unit testing the configurations in QA / Test, applying fixes as needed in Employee Central Payroll development and moving to Employee Central Payroll QA/Test.
8. Establishing the point to point connectivity between the Employee Central and Employee Central payroll QA environments
9. Migrating / refreshing employee and payroll master data from ERP HCM Production to ERP HCM QA
10. Performing initial replication of employee master data from Employee Central to Employee Central Payroll. (In case Employee Central is not live and is being implemented along with Employee Central Payroll, then employee master data will need to be first migrated from ERP HCM to Employee Central before performing the initial replication)
11. Migrate Payroll specific infotypes from ERP HCM Payroll to Employee Central Payroll
12. Validate data in Employee Central Payroll
13. Repeat the migration testing process a few times to iron out data / configuration issues
14. Perform Payroll parallel tests to confirm payroll accuracy
15. When ready for production cutover, migrate Employee data from ERP HCM Production to Employee Central production and perform initial replication to bring over employee data to Employee Central payroll
16. Migrate payroll data from ERP HCM Payroll production to Employee Central Payroll production
17. Perform data validation and preparation for productive payroll runs.

6.6. SAP and Third-party Tools to Support Migration

In order to support, automate and accelerate the migration process, various SAP and third-party developed tools are available in the eco system,

Some of the SAP developed tools / services available include:

- [SAP HXM Movement Program](#)
- [Infoporter to migrate Employee Master Data and Organizational Data from SAP ERP HCM to SuccessFactors Employee Central](#)

Some of the third-party developed tools include:

- [Tik Consulting NEXUS Suite for Migration to EC Payroll, verification of EC Payroll, and EC Payroll Reporting](#)
- [EPI-USE PRISM \(On-Premise Payroll to SuccessFactors Employee Central Payroll Migration Service\)](#)
- [SpinifexIT Easy Migration for Employee Central Payroll](#)
- [List of available 3rd party add ons supported in SAP SuccessFactors Employee Central Payroll – SAP Note 2167337](#)

7. ASSUMPTIONS AND EXCLUSIONS

This document focuses and details the implementation and migration considerations for ERP HCM Payroll to Employee Central Payroll. The document does not completely address the implementation considerations for supporting processes like Time and Benefits management. The customer and implementation teams will need to separately evaluate their existing Time and Benefits solution to review migration options to Employee Central Time off/ Time sheet as well as Employee Central Global Benefits as these processes are integrated with a payroll solution.

8. REFERENCES

[SAP Help Portal – Employee Central Payroll](#) (**SAP S-User credentials may be required**)

- [Employee Central Payroll Scope Document](#)
- [Employee Central Payroll Services Catalog](#)

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