Data Archiving: Decommissioning Legacy Applications in ERP Deployments

Integrate Data Archiving into ERP Projects to Reduce Costs and Risks

Introduction

Decommissioning legacy applications is a critical but often underappreciated phase in upgrades or deployments of enterprise applications, including enterprise resource planning (ERP) systems. Effective application decommissioning that addresses both the applications as well as associated data can reduce operational technology costs, eliminate inefficiencies, enhance organization-wide data governance, and make data available to analytics and AI tools. This white paper discusses the strategic importance of retiring both applications and associated data, and how to integrate this process into ERP and enterprise projects for long-term savings, better governance, and the ability to derive value.

The Role of Decommissioning and Data Archiving in ERP Projects

ERP systems consolidate disparate business processes into a single framework, but in doing so, they often render legacy applications redundant. These custom or third-party applications typically include older data that requires appropriate governance, including making decisions on retention and access rights. Decommissioning these applications as part of your ERP deployment is not just about turning the applications off; it's about ensuring that the data they hold is correctly archived, secured, and accessible for future use. This reduces the operational costs of maintaining outdated systems while preserving compliance and regulatory integrity and making them available to analytics and AI. Simply retaining these legacy applications to have access to their data burdens IT operations with long-term costs and security vulnerabilities as systems lose support.

In the context of SAP, transitioning to SAP S/4HANA often involves decommissioning legacy SAP applications such as SAP ECC, R/3, and a myriad of custom-built systems. SAP's shift in licensing model means that S/4 Hana costs will be driven by both consumption and user volumes, making decisions regarding data archiving more important than ever. This applies not just to data generated in S/4 Hana applications, but to current data in SAP ECC and data from third-party applications considered for migration into S4.

Companies moving from Oracle E-Business Suite (EBS) to Oracle Cloud ERP must also address application decommissioning and data retirement early in their migration plans to reduce costs and improve system performance. Additionally, Oracle customers should be aware of end-of-support timelines for each of their legacy ERP systems (i.e. EBS, PeopleSoft, JDE. Demantra. Hyperion, Siebel) and make plans regarding the retention and disposition of data in those systems.

Modernization includes more than just ERP Systems

In addition to SAP, Oracle, Workday, EPIC, Salesforce and other ERP systems, many other enterprise applications need to be properly decommissioned as they are replaced by modern on-premises or cloud solutions. A common mistake is to assume older or smaller applications are unimportant and can be retained to access their data. But limited IT visibility and lack of continuing security support from patches and updates make these legacy systems entry points for hackers in search of sensitive data. This is especially true if an organization's application inventory has grown organically over time to meet evolving business needs. If this sounds familiar, you are not alone. Research companies like Gartner and Forrester estimate that only **10-20% of Fortune 500 organizations** have fully modernized their application portfolios, with the majority still navigating the complex and costly process of decommissioning legacy systems while rolling out modern solutions.

Examples of Decommissioning in SAP and Oracle Implementations

SAP S/4HANA Transition:

When organizations upgrade to SAP S/4HANA, it's critical to decommission older SAP environments (like SAP ECC). The SAP Business Suite on HANA enhancement packs (EhPs) provide key functionalities, and SAP supports these environments up to 2027, with extended maintenance available until 2030 for an additional cost. Continuing to maintain these older systems increases operational costs, while SAP's new platform provides advanced features like real-time analytics and machine learning integrations.

Data security risks increase when applications are not upgraded. SAP's Enhanced Package 8 for ECC includes important security patches that must be applied before the 2027 deadline. You could be vulnerable if older releases of SAP ECC are not upgraded (during your transition to SAP S/4 HANA). Retaining older SAP applications simply to maintain access to historical data unnecessarily increases costs and risks. Instead, your organization should plan to retain needed data in a secure archive in solutions designed for this purpose, such as the Archive360 Platform, and decommission all applications that are no longer operational.

Oracle E-Business Suite to Oracle Cloud ERP:

Similarly, organizations transitioning from Oracle EBS to Oracle Cloud ERP need to decommission their legacy Oracle environments and make decisions regarding retaining or deleting the data within these systems. Oracle provided extended support for EBS 12.1 until December 2021, and provides support for EBS 12.2 until 2031. Organizations must plan to either upgrade their systems or decommission outdated applications to avoid maintaining

unsupported software that may expose them to security vulnerabilities and breaches. Organizations should also consider running a security audit with a company like Cyber Enterprise Solutions, to uncover vulnerabilities to take into consideration.

Benefits of Decommissioning Legacy Applications

1. **Cost Reduction:** For both Oracle and SAP customers, decommissioning outdated applications reduces the operational expenses associated with licensing, hardware, and system support. As security update and maintenance windows close, companies face increased costs to maintain the legacy systems. Archive360 customers have calculated that the average annual operating cost per legacy application is in excess of $300,000[1]. Decommissioning these systems and moving important data to an archive for secure management and retention reduces these costs.

2. **Improved Efficiency:** Legacy systems often introduce inefficiencies due to outdated infrastructure and the lack of integration with modern ERP platforms. Decommissioning these systems during Oracle or SAP upgrades eliminates redundancies and helps improve performance by consolidating workflows into a single, efficient ERP environment.

3. **Enhanced Security**: SAP and Oracle both release security patches on regular cycles. After the end of mainstream support (e.g., SAP ECC in 2027, Oracle EBS in 2031), no new patches will be provided, increasing the risk of security breaches. Decommissioning legacy systems mitigates this risk by transitioning to fully supported environments while securely archiving historical data.

4. **Optimized Data Governance**: Decommissioning older systems helps streamline data governance. During the decommissioning process, data is evaluated and archived based on its business value and compliance requirements. This prevents the retention of redundant or outdated data while ensuring that essential data is securely stored and accessible for future business needs.

5. **Increased opportunities:** Removing data from separate silos to a single, secure archive can provide new data sources for your analytics tools and AI models.

[1] https://www.archive360.com/case-study-lp-top-american-bank-saves-40m-with-archive360-unified-data-governance

When to Establish the Decommissioning and Data Archiving Strategy

Decommissioning should be embedded into the entire ERP lifecycle:

1. **Planning Phase:** Early in the ERP project planning stage, identify all legacy systems that should be decommissioned for the new deployment. Define your data archiving strategy for the data within each of these systems to ensure that critical legacy data is extracted from the legacy applications, securely archived, and accessible for future requirements.

2. **Data Migration Phase:** During the migration to SAP S/4HANA or Oracle Cloud ERP, data in legacy systems should be assessed for relevance. Active data should be migrated to the new ERP system, while historical data can be moved to an archival solution, such as the Archive360 Platform. This ensures that the new ERP system only contains relevant, current data.

3. **Post-Deployment:** After the ERP system goes live, legacy applications should be systematically decommissioned. This includes archiving remaining data, shutting down unused systems, and removing obsolete applications. Keeping these systems operational beyond their support dates increases risks and costs.

Decommissioning as an Ongoing Process

ERP environments, especially in large enterprises, are constantly evolving. New applications are introduced, and existing ones become obsolete. Therefore, decommissioning is not a one-time event; it is a continuous process. To maintain an efficient IT landscape and reduce IT spend organizations should:

1. **Perform Regular Audits:** Regularly audit systems to identify applications that can be decommissioned. Large companies have an average of 664 applications interacting with their ERP or main enterprise operational system[2]; some have several thousand applications. Each of these applications consume resources, regardless of how much they're utilized. A YouGov survey found that half of enterprises feel they are wasting 10% of their software and SaaS applications budget. This equates to millions of dollars annually; for larger organizations, this could be tens of millions.

2. **Establish Enterprise-wide Data Archiving Policies:** As support for older versions of Oracle and SAP expires, organizations must implement an organization-wide data archiving strategy to standardize how data is handled when systems are

[2] https://chiefmartec.com/2023/04/how-big-is-your-tech-stack-really-heres-the-latest-data/#:~:text=The%20average%20small%20business%20with,an%20average%20of%20664%20apps.

decommissioned. This ensures that all structured or unstructured data is properly archived and can be securely accessed when necessary. Consider solutions like Archive360 to automate and manage this process.

3. **Maintain Security and Compliance:** Regularly review decommissioned systems to ensure they meet ongoing security and compliance requirements. Archive data needed for compliance from decommissioned systems, then eliminate them to reduce cost and risk. Include data that has aged out of use in systems still in operation to further reduce costs and increase efficiency.

Key Takeaways

Incorporating decommissioning as a key aspect of any digital transformation program and ERP deployment reduces costs, enhances security, and optimizes data governance. Data architects must embed decommissioning strategies early in the ERP project lifecycle and ensure they are applied consistently across the enterprise. By managing the lifecycle of legacy applications, organizations can focus on driving innovation while minimizing unnecessary expenditures.

Decommissioning is a vital ongoing process critical to ensuring ERP environments and systems across the enterprise remain efficient, secure, and scalable. Proper planning and execution at each phase of the ERP lifecycle will ensure that your organization maximizes its investment while minimizing risks and operational costs.

Archive360 Modern Archiving Platform

The Archive360 Platform is a modern archiving platform built on a cloud-native, API-driven architecture, designed to archive and govern data at petabyte scale. It incorporates the latest technologies and practices without the constraints and limitations of legacy solutions. The platform is deployed in your own dedicated cloud tenancy, giving you complete control over your data compared to a multi-tenant SaaS. Since resources are not shared, the how quickly your data is ingested, transformed, stored, searched, entitled, retained, and disposed of is based on your requirements. And the platform is architected from the ground up to take an integrated approach to managing your data's many obligations (retention, disposition, security, privacy, operational access, compliance, analytics, e-discovery, data sovereignty) and optimize how resources are utilized, ensuring your data is managed and accessed efficiently and cost-effectively. Key data management capabilities include the ability to:

- Classify any data type where each record class can have its own unique schema, search characteristics, and policy-based control.

- Encrypt data at multiple levels with field masking and unique key management to provide maximum security.
- Entitle data access is based on granular role, attribute, and record classification controls.
- Retain & Dispose of data through extensive policy-based management.
- Audit all data actions, access, and chain of custody.
- Analyze structured and unstructured data with confidence by providing a trusted source for AI and analytics.

About Archive360

Archive360 delivers a modern archiving platform that empowers organizations to solve complex data governance and compliance challenges, while enabling AI and analytics. Recognized as an archiving leader by Gartner for our vision and ability to execute, our cloud-native platform is designed to work within existing and future data ecosystems. Our API-driven platform also integrates upstream to easily onboard data, and downstream with industry leading eDiscovery, AI and Analytics, and Supervision/Surveillance solutions.

Archive360 is a Microsoft Cloud Solution Provider, and the Archive360 Platform is Microsoft Azure Certified. To learn more, please visit https://www.archive360.com.

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