

Canada Post: An SAP Upgrade Software Journey

8582/OR0950

Strategic IT Village

5/13/2009, 2:00 p.m. - 3:00 p.m.



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SEE YOUR WAY CLEAR
Strategies for Success in the New Reality

SAP SAPHIRE 09

Agenda



1. **Background**
2. **How Canada Post Sold the Upgrade Journey**
3. **How Canada Post Completed Their Upgrade Journey**
4. **How Canada Post Has Benefited from Their Upgrade Journey**
5. **Questions and Answers**

Canada Post Corporation is Canada's official mail service, providing letter and parcel delivery to over 14 million addresses across the country.

- Canada Post Corporation delivers over 11 billion pieces of mail each year to 14 million destinations
- The corporation has over 60,000 employees and 6,600 post offices - i.e. the largest retail network in Canada
- It serves 32 million Canadians and over 1 million businesses and public institutions from coast to coast to coast
- In 2007, net income for Canada Post and its affiliates, which include Purolator Courier, SCI Logistics and Innovapost (jointly owned by Canada Post and CGI), was CDN\$ 54 million on revenues of CDN\$ 7.5 billion
- Canada Post is a world leader, providing innovative physical and electronic delivery solutions, creating value for our customers, employees and Canadians.
- Website: <http://www.canadapost.ca>

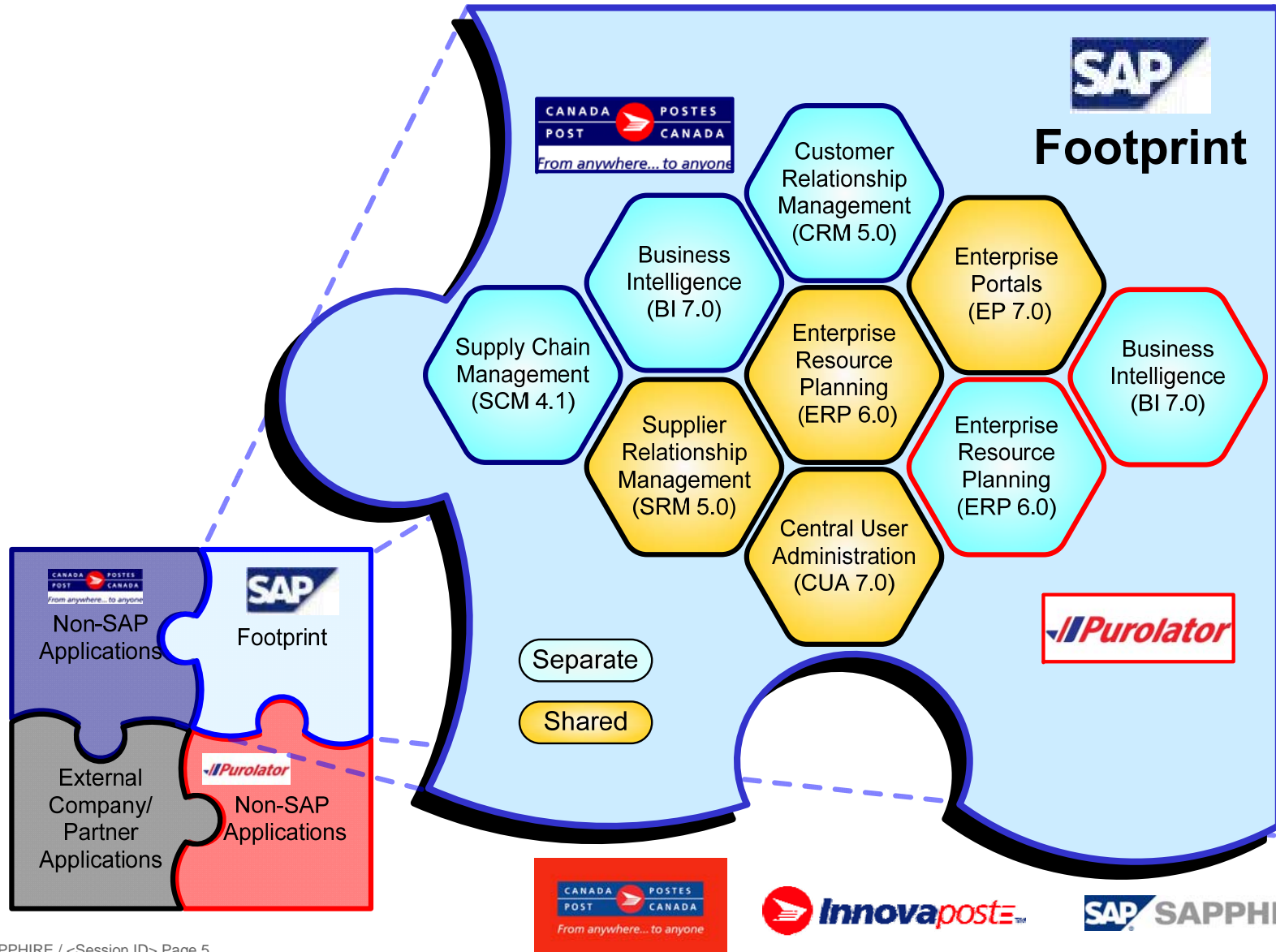


Innovapost is a leading provider of IT solutions and services to the Canada Post Group of Companies, with a specialization in SAP, e-business and mobility solution development.

- Provides consulting and technology services to the Canada Post Group of Companies and their customers
- We help our clients realize greater and more immediate value on their IT investments
- Since the company was founded in 2002, Innovapost has delivered to its clients over \$250 million in operational cost savings. For Canada Post alone, application support costs decreased by 20%, and infrastructure costs decreased by 30%
- Offices in Ottawa, Mississauga and Toronto, approximately 800 employees
- Website: www.innovapost.com.



Canada Post's SAP Landscape



Key SAP Statistics



Canada Post has one of the largest SAP footprints in Canada. It is used extensively throughout its network, operations, and systems

- Large SAP ERP 6.0 application (5 TB database)
- Over 30,000 custom objects
- Over 120,000 business users (including external parties)
- Over 650 connected locations
- Over 500 interfaces
- Over 30 third-party applications

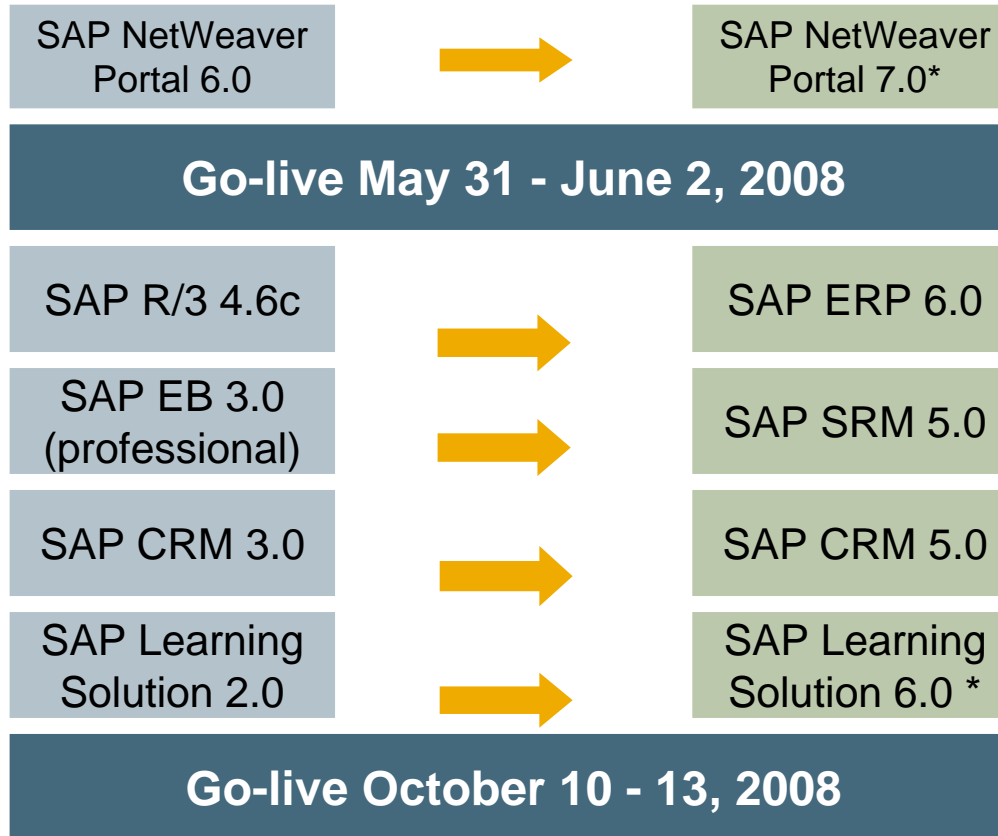


Canada Post created an SAP upgrade road map with the help of SAP Consulting and Innovapost. The road map was as follows:

- Upgrade SAP Event Management application from version 1.0 to 4.1 in June 2006
- Upgrade SAP Business Information Warehouse application (3.0) to SAP NetWeaver Business Intelligence application (7.0) in April 2007 and implement new SAP NetWeaver Portal component (7.0)
- Concurrently upgrade SAP R/3 4.6C software to SAP ERP Central Component 6.0 and SAP Enterprise Buyer (SAP EB) component (professional) to SAP Supplier Relationship Management application (5.0) and integrate with SAP NetWeaver Portal 7.0
- Upgrade SAP Customer Relationship Management (SAP CRM) application from version 3.0 to 5.0 at same time as the SAP R/3 4.6C upgrade and integrate with SAP NetWeaver Portal 7.0

Canada Post decided to upgrade SAP CRM at the same time to minimize costs and downtime and to integrate SAP Learning Solution into its SAP ERP application.

SETUP (SAP Technical Upgrade) Scope



* Re-implementation as opposed to upgrade



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How Canada Post Sold the Upgrade Journey



Canada Post justified the SAP upgrade journey based on three key concepts:

- Preserving initial investment
- Continued SAP support and maintenance
- Integration – Upgrades cannot occur in isolation
- Part of the overall IT road map
 - **Adobe document integration**
 - **Enterprise services**



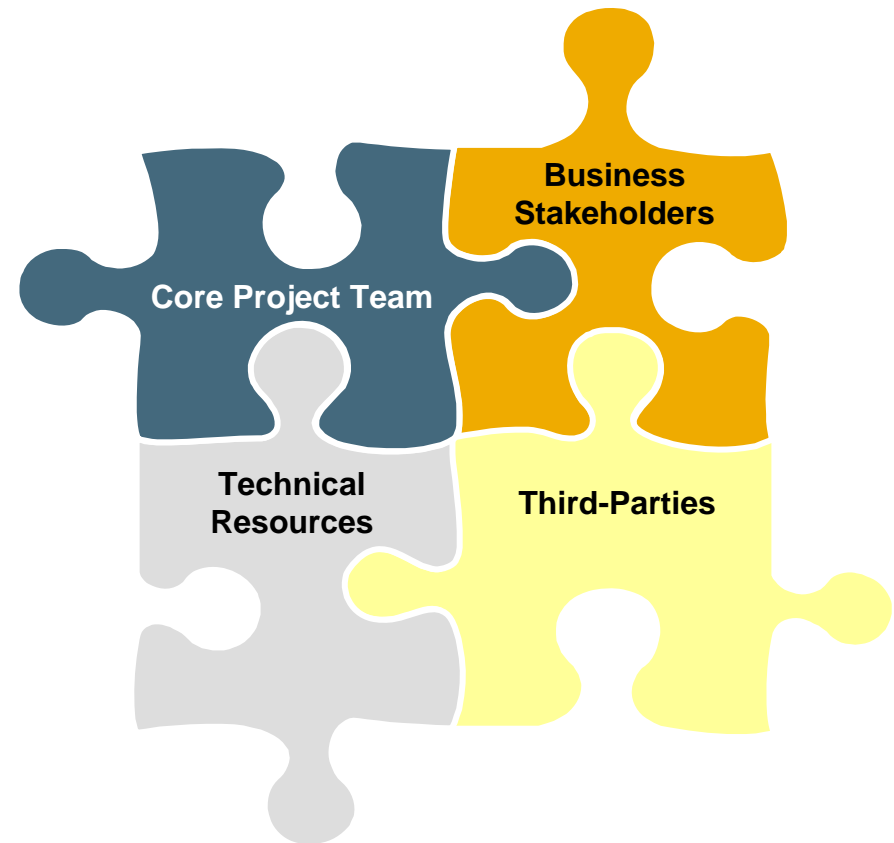
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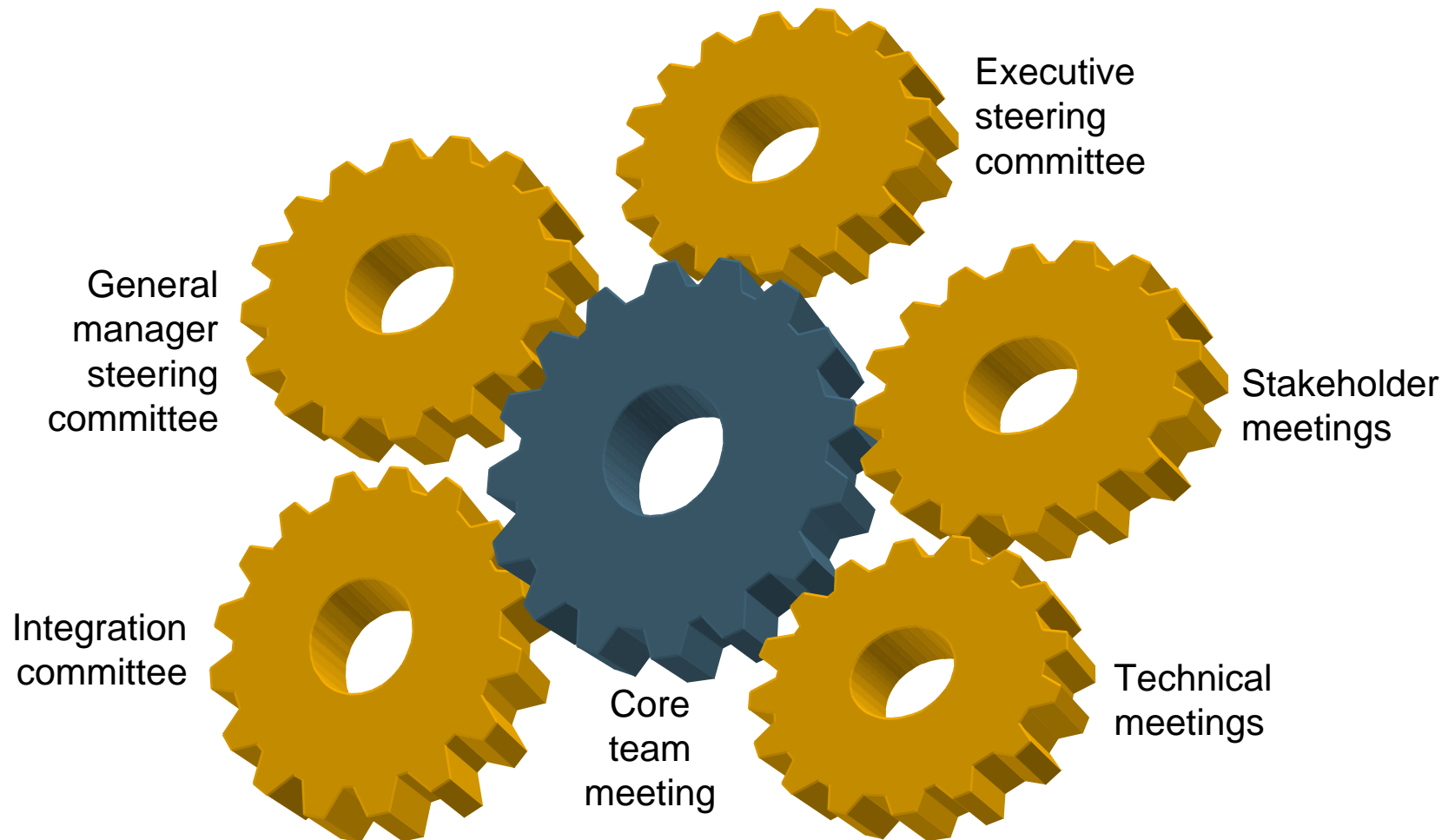
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The SETUP Project Team consisted of 4 main groups:

1. Core Project Team, including Project Management and Change Management
2. Business Stakeholders
3. Technical Resources
4. Third Parties:
 - CGI Partnership
 - Delivery Consulting
 - Governance model & Quality Assurance process
 - SAP
 - Consulting Expertise
 - SafeGuarding Services
 - Other External Vendors



Integration and engagement happened from the working level to the executive level



Upgrade Journey Overview



Discovery phase

- Conduct proof of concept
- Determine go-live date

Execution phase

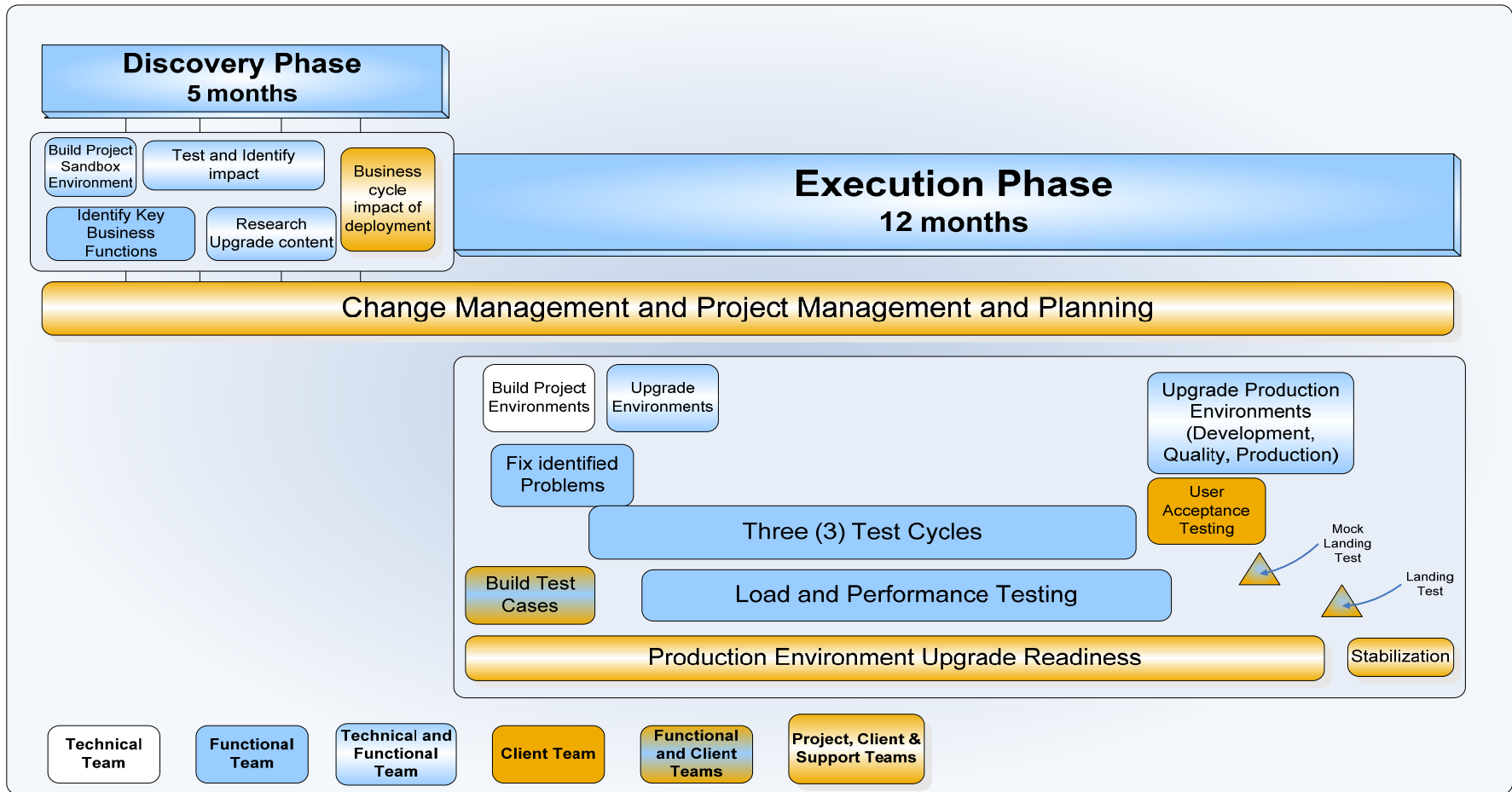
- Define, build, and upgrade project landscape
- Test, test, test
- Repeatedly practice and refine upgrade plan
- Implement brown-out and black-out processes
- Plan quality audit checkpoints
- Plan and prepare deployment

Unicode compliance

- A decision was made to make the systems unicode-compliant but not to do unicode conversion concurrently with the technical upgrade.



How Did We Do This?



Change Management Upgrade Journey



Our change management can be summarized into three main areas:



Internal change management plan

- Focus on impacted users

Corporate Communications



Ensure alignment of all internal and external messaging



External change management

- Minimize impact to customer



Minor changes and fixes:

SAP upgrade control committee

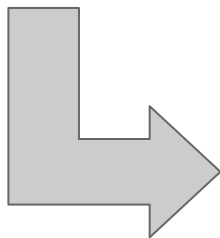
- Consisted of both business stakeholders and IT resources
- As we approached the upgrade go-live date, the regulations around what could be implemented became more severe:
 - Slush period (brown zone and grey zone) – 7 months
 - Freeze period (black zone) – 3 weeks



Medium to large projects:

Creation of an integration process

- Projects completed an integration form for risk assessment
- Project-specific mitigation plans
- Risks approved by SAP upgrade control committee and impacted business stakeholders



- Successful Upgrade
- Enable major projects to proceed
- Minimize risk to business

Conducted 4 test cycles:

- Over 6,000 test scripts created
- Cycle 1: 100% tested by Innovapost - copy of production
- Cycle 2: 40% tested by Innovapost in French language
- Cycle 3: 100% tested by Innovapost and end users
 - Included latest production releases and SAP support stacks
- Cycle 4: User acceptance testing – 20%
- Landing validation – used for go/no-go readiness



Five mock upgrades – planned upgrade rehearsals:

- Project development environment – Quality assurance (QA) copy / upgrade
- Project QA environment – Production copy / upgrade
- Project transport environment – Development copy / upgrade
- Project QA environment # 2 – Production copy / upgrade – Go-live simulation
- Production landscape QA upgrade – 100% simulation of go-live weekend

- **SAP Quality Center application by HP (version 9.0)**
 - Centralized repository for Test design, execution and defect management
 - Standard and end user ad-hoc reporting
 - Automated testing
 - Third-Party integration

- **SAP Loadrunner application by HP**
 - Emulates multiple current users



Quality Assurance in The Upgrade Journey

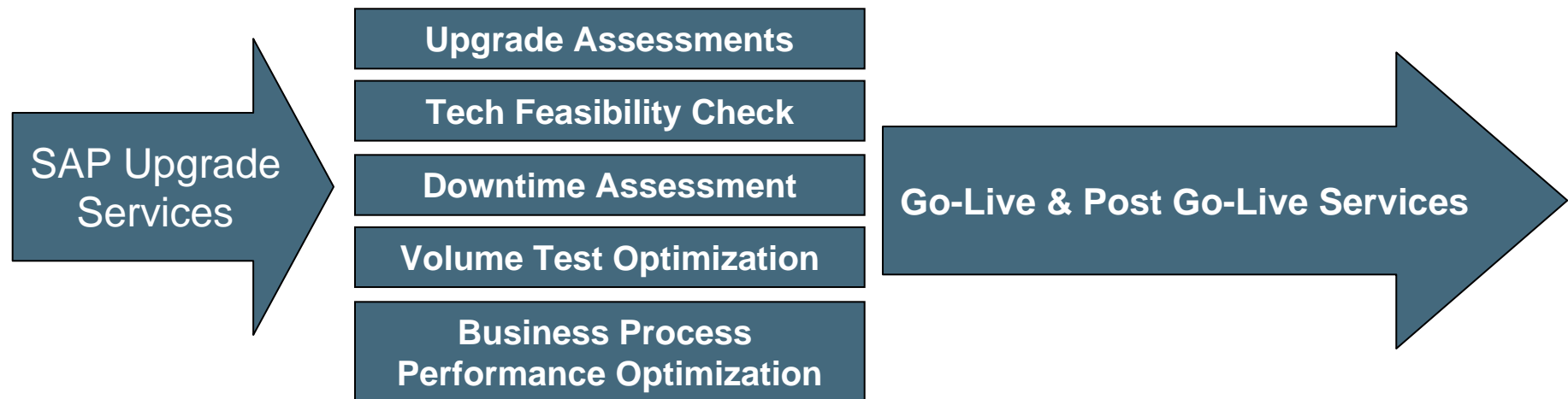


■ SAP MaxAttention support

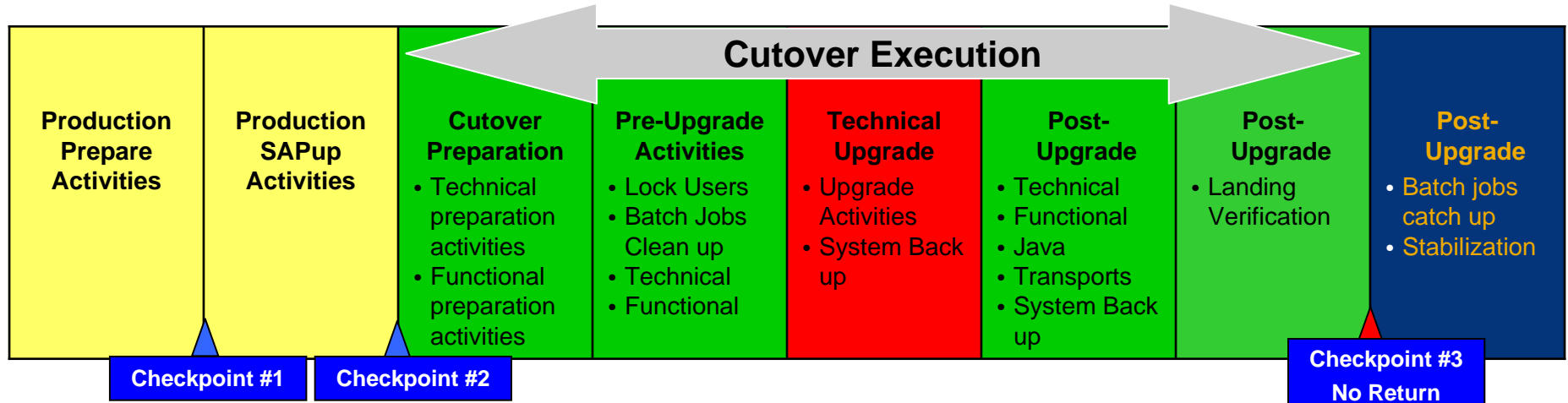
- Reduced risk
- Skilled resources 24x7

■ SAP technical quality manager

- SAP insider knowledge
- Intimate customer knowledge
- Front and back office support



Cutover Weekend



ERP (PR1)

Oct 10th

Oct 13th

5 Days Sep 29 th	5 Days Oct 6 th	8:00 Fri 22:00 Fri	22:00 Fri 5:30 Sat	5:30 Sat 18:30 Sat	18:30 Sat 3:00 Mon	3:00 Mon 7:00 Mon	Go-No Go 16:30 Mon
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CRM (PC1)

Oct 10th

Oct 13th

5 Days Sep 29 th	5 Days Oct 6 th	8:00 Fri 22:00 Fri	22:00 Fri 4:00 Sat	4:00 Sat 16:00 Sat	16:00 Sat 10:00 Mon	10:00 Mon 14:00 Mon	Go-No Go 16:30 Mon
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SRM (PB2)

Oct 10th

Oct 13th

5 Days Sep 29 th	5 Days Oct 6 th	8:00 Fri 22:00 Fri	22:00 Fri 6:30 Sat	6:30 Sat 19:00 Sat	19:00 Sat 3:00 Mon	3:00 Mon 7:00 Mon	Go-No Go 16:30 Mon
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System downtime



System up



Application downtime for the users

Things to Consider



- Ensure up to date SAP Support Stacks and Kernel
- Continuously monitor/analyze latest OSS Notes
- Custom modifications must be reapplied including workflow
- Watch out for 3rd Party products integration - Review certification
- Size and plan capacity uplift (Approx. 25%)
- ITS (Internet Transaction Server) Impacts

Database Considerations:

- Implement archiving – Minimize downtime
- Review database indexing requirements
- Run database statistics



What Worked Well and Lessons Learned



- Integrated project team
- Common set of goals
- Disciplined and practiced upgrade
- Disciplined go-live
- Plan for the unexpected (contingency planning)
- Any change can impact the SAP upgrade



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How Canada Post Benefited Its Upgrade Journey



Test script Inventory

- Over 6,000 test scripts created
- Leveraged by change management

SAP NetWeaver technology platform

- Enterprise services
- SAP Interactive Forms software by Adobe
- Screens from the Web Dynpro development environment
- Employee interaction center functionality of SAP CRM



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Thank you!

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SAP technology is used extensively by Canada Post throughout its network, operations, and systems.

- SAP technology supports over 6,000 daily jobs.
- SAP technology supports almost 30,000 custom software objects.
- SAP R/3 4.6c supported a database size of approximately 5 TB.
- SAP technology supports over 100,000 business users:
 - Over 70,000 users for SAP ERP 6.0
 - Over 6,000 users for SAP EB (professional)
 - Over 125,000 users for SAP CRM (including external customers and vendors)
- Business users are located across the country in over 8,000 locations.
- Approximately 6,000 test scenarios in all our SAP solutions.
- Our SAP software has over 500 interfaces and integrates with over 30 third-party applications.

Overview of Impacted Users



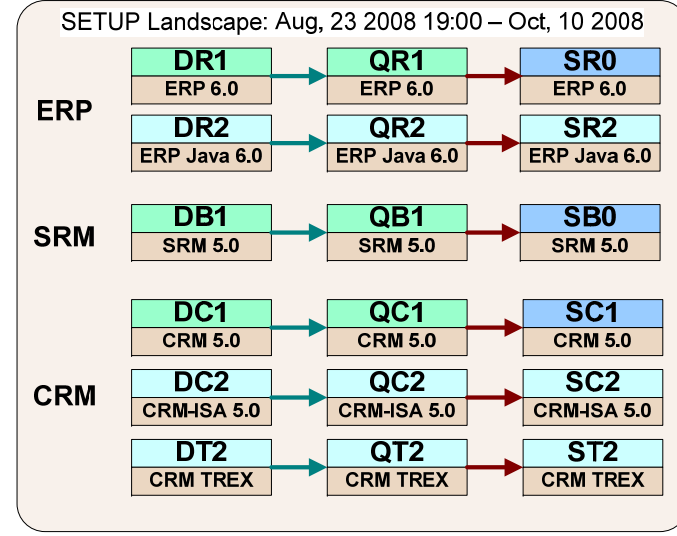
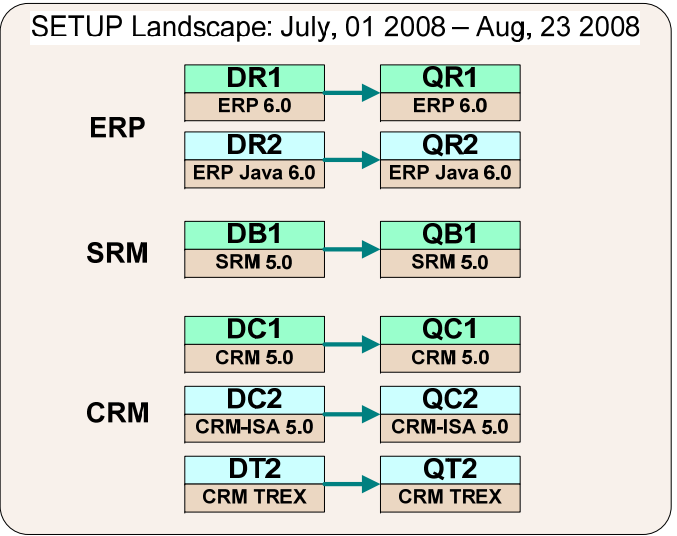
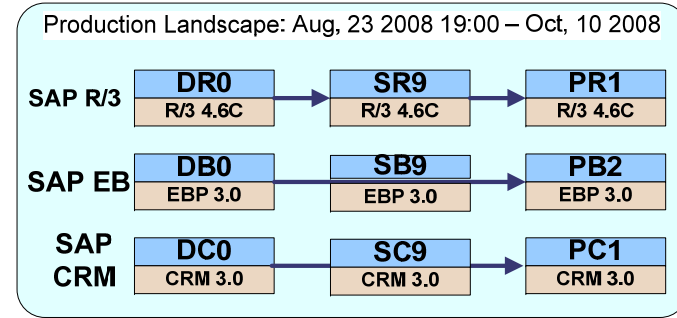
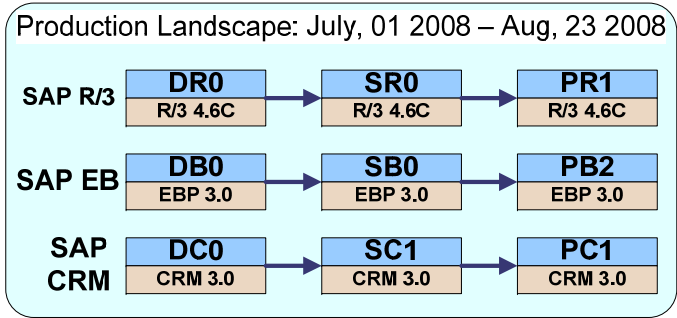
High



Low



SAP Landscape Availability During Setup Project: July – Oct 2008 (Key Date for Landscape Changes – August 23)



No external Projects or Developments in SETUP SAP Environments during this time

- From **September 15, 2008** – MR1 and External Projects can work in SETUP Development systems: DR1 (DR2), DB1, DC1 (DC2, DT2)
- **Sep 22 to Oct 31** – MR1 & External Project can perform testing in SETUP Staging systems: QR1 (QR2), QB1, QC1 (QC2, QT2)
- **Oct 24** (After Go-Live) MR1 & External Project Transports can go to Production Staging: SR0, SB0, SC1. Open for all Testing



Cutover Rehearsal and Optimization



Deployment of go-live activities are practiced during:
Cutover starts on Friday night, October 10th. Rehearsal will simulate production go-live (not necessarily starting on Friday, but activities are 24 hours round the clock).

Upgrade Prepare -System is up June 14 – 18 (5 days)	Upgrade SAPup -System is up June 19 – 23 (5 days)
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Cutover Activities 2.5 days:

- Stop Jobs and Interfaces
- Technical | Security
- Functional | Landing
- UAT | Data catch-up
- Resume Jobs and Interfaces -27th

- June staging refresh - Completed

**Upgrade SAPup -System down
June 24 - 26**

Upgrade Prepare -System is up July 21 – 25 (5 days)	Upgrade SAPup -System is up July 28 – Aug 1 (5 days)
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Cutover Activities 2.5 days:

- Stop Jobs and Interfaces
- Technical | Security
- Functional | Landing
- UAT | Data catch-up
- Resume Jobs and Interfaces -7th

- July mock upgrade - Completed

**Upgrade SAPup -System down
Aug 5 - 7**

Upgrade Prepare -System is up Aug 25 – 29 (5 days)	Upgrade SAPup -System is up Aug 30 – Sep 3 (5 days)
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Cutover Activities 2.5 days:

- Stop Jobs and Interfaces
- Technical | Security
- Functional | Landing
- UAT | Data catch-up
- Resume Jobs and Interfaces – 6th

- September production staging upgrade – In process

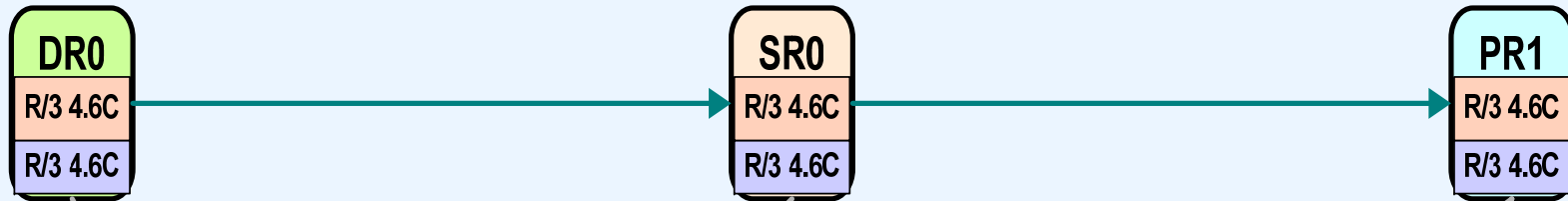
**Upgrade SAPup -System down
Sep 3 - 7**



How Canada Post Completed Their Upgrade Journey



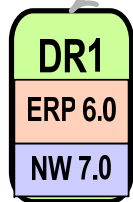
Production Support Landscape



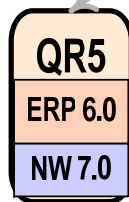
		MR-1			MR-2				MR-4		
Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
W 1-8		W 9-13			W 19-23			W 29-34			

System Copy and Upgrade

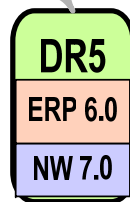
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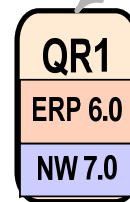
Create Project DEV
Copy Staging system and Upgrade



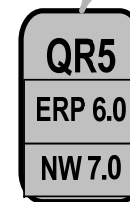
Create Project Staging
Copy Production system after MR-1 and Upgrade



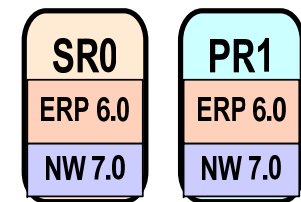
Merge MR-2 Transports
Copy Development system, capture MR-2 and Upgrade



Refresh Project Staging
Copy Production system, capture MR-4 and Upgrade



Rehearsal



Upgrade Staging & Prod.

