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# B2B: How Data Migration Can Benefit Businesses

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Grigory Chetiy, Director of business development of the IBS service center of the business applications support described how the life of the companies operating in Russia is changing in connection with the adoption of the revised Law on personal data and why data migration is useful for business from the point of view of budget optimization and risk reduction.

On September 1, 2015 the amendments to the Law on personal data came into force regulating that personal data operators need to keep all the personal data information in Russia. How will the lives of Russian and international companies that currently keep the data abroad change in accordance with this fact?

Of course, the life of not only Russian but also international companies from all sectors will change. How it will change exactly — it is now hard to say. The fact is that the updated personal data Act (No. 152-FZ) contains quite a lot of uncertain concepts and situations. For example, it ambiguously describes what would happen if the data is not transferred. In fact, everyone is waiting for the precedent when the inspection will come to the specific corporations and will find the violations to assign certain administrative measures.

We are expecting that some clarifications will be released and some comments on how the provisions of the Act would be applied closer to the date of its enforcement. The business community appealed to the lawmakers to postpone implementation of the new rules, for example, till the end of this year, while everyone will get used to it and will realize current environment. However, according to the recent news, the Law became applicable from the 1st of September. Even more, about 300 companies were selected who will be controlled for the

application of new procedures through the inspections.

**Who are these companies that are not so lucky?**

These are companies who are to some extent working with personal data and use them in their business: telecommunications companies and businesses specializing in e-commerce, major retailers, distribution companies, and producers of consumer goods. They are every major company who uses different kinds of loyalty cards and customer data in business.

**Do you feel some awareness, growth of interest from your customers?**

It's hard to call it the growth, we see a constant rising demand, although it is expected that its peak will be in autumn 2015. When the inspection of companies in this area will start, then there will be next surge of demand for changes in IT systems.

Currently IBS Service center has already accumulated extensive experience in migration of corporate systems, probably the biggest among Russian IT companies. We can guarantee fixed and clear terms for our customers, as well as its low cost and reliable result. In this regard, we expect that in autumn when the growth is possible, some new companies will take advantage of our services.

**How many companies, in your opinion, are already engaged in data migration or have already done it?**

First of all, about 30% among the companies operating in Russia and using the ERP-system of the Western producers still localize their IT data abroad. However, about 20-30% of the companies are deeply considering the issue, including those who have already transferred the data.

**The companies from which sectors or industries have rushed to do the data migration?**

If we talk about an industry, they are rather companies from the retail, distribution, trade, insurance and some banks. They work a lot with personal data, they built a sophisticated IT infrastructure, so they were among the first ones who reacted to the law. Industries that are much less engaged into personal data, such as those companies whose main clients are legal entities, show less willingness to innovations.

I would also highlight international companies from different industries. For international corporations, the main principle is to conduct business honestly and transparently, they calculate all the risks, including regulatory. Therefore, in order not to get multimillion-dollar fines, they held all the calculations, and some of them have already transferred personal data in Russia with our help.

**What tools and capabilities IBS offers to the customers for migration?**

First of all, our experience is confirmed by a large number of projects. We are the experts in almost all the IT issues, so we can meet any client requests for migration and configuration of ERP systems. By the way, our extensive experience allows us to minimize system downtime for companies in the period of the migration. The most important question which businesses

usually ask us before starting work — the duration of the downtime of the system unavailability. For each company this is a critical value and everyone has its own measure. We usually keep it within 8 hours, although it depends on the needs of our clients.

If we talk about tools, each company will have their own individual migration scheme. Sometimes we have to buy equipment to organize additional cloud capacity, etc. Because it is necessary not just to migrate the data, they need to be somewhere moved — for example, to the client's or our datacenter, etc.

Thus, IBS has all the pool of opportunities, and professionals, and technology, and "turnkey" solutions, and equipment, and virtual capacity to satisfy any demands of the customers.

**Tell us more about your migration service that is also offered to the customers as a "turnkey" solution.**

Our migration technology, implemented in the framework of the provision of the service, is developed on the basis of systematization of the experience of migration of more than 50 SAP systems processed by the IBS professionals. We can implement the migration with the change of software and hardware platform or without it; both complete data transfer and partly one relating only to the Russian business; with the organization of the logistics of moving data and without it.

In fact, thanks to the extensive experience conducting various migrations considering every demand of the customer within the service we have a proven technical and organizational solution that allows eliminating risks and uncertainties as well as significantly reducing costs of migration.

**What are the technical parameters of migration?**

The regular period of preparation and performance of three-system migration of the SAP landscape with the amount of data not more than 10 TB is 2 months, and the budget for this migration is, on average, about 500 thousand rubles. The downtime of productive systems in the process of migration can be reduced to half an hour that only requires the switching network addresses.

If the customer prefers, IBS also provides their own ready capacity for the migration, adapted for placement of an SAP system in a managed private cloud. Using this integrated approach allows to reduce the duration of the migration from the moment when the client decided to migrate before operating your new system up to 1 month.

We have already implemented a variety of options for migrations for our clients. We know that all transfers of systems are possible and can be implemented without risk for the customer and bring quick results.

**So, you can do anything that the customer wants?**

It's true too. But the customer is not always able to identify what he or she wants and what might be the risks for that. The client tells us that there is such a task and such a critical time, determines the budget, and we are solving the task depending on the requests and capabilities of the client.

**What is changing for the company and its employees when there is data migration?**

As for the company and its employees no visible changes happen.

There is, however, one bonus during migration. When a company migrates to new power, it gets the acceleration of its work. Business sees and feels it — regular processes and requests are implemented faster, this is one of many positive effects that migration causes.

**What does the acceleration give to you? Why do you give such a bonus to your customers?**

The acceleration of the system often gives such effect — the company likes it, users are more willing to use the system, and they want to develop and improve the system with us.

In addition to this, it is one thing to migrate the data, and another is to maintain it. Support for migrated systems is also quite a popular service among our customers. We offer this service when the company realizes that it is easier to trust its IT system into the hands of professionals, and to spend their internal resources on core business development.

According to our calculations, a company can reduce 40-60% of the costs and increase the quality of system development via our service.

**How?**

First, the company has no need to grow a rather expensive staff of IT professionals. It may be either not existing at all, then we will fully complete the work in support of the IT systems of the Customer; or the staff could be minimal, and our experts act as insurance in any case. Outsourcing is more efficient for businesses; we can do it even better. Depending on the client we can recommend the best options. We can support it ourselves or act as a kind of guarantee of IT systems. We can work ad hoc if some issue occurs.

**What migration projects were operated by IBS?**

As I said, in this direction the retailers are very active, and among our clients there are a lot of them. For example, IBS completed the migration of the SAP systems of a retail chain "Bakhetle". Technical details of the system: SUN hardware platform OS based on Solaris hardware IBM systems running AIX. The amount of transferred data is over 12 TB. The total time of unavailability of the three migrating productive systems was 12 hours for outside users, and the period of migration was only 2 months. In another federal retail network we made a migration of corporate information systems including SAP ERP and SAP BI from a European data center to a Russian one with the change in the migration of software and hardware platform: SPARC-server with RISC architecture has been replaced by the virtual machines on x86, and Solaris OS has been replaced by Linux. Migration was «turnkey» and included not only technological aspects, but also the logistics associated with the delivery of data from Europe. Total volume of transported data exceeded 20 TB. The idle time was less than 8 hours. The migration was completed in 3 months.

Also among our clients there are production companies of the international level.
For example, the extraction of data of the Russian branch of the company "Pilkington glass" has been made from a global corporate enterprise systems deployed in the UK. The migration of selected data integrated systems such as SAP ERP, SAP BI, SAP PI and integration of new

systems in local manufacturing IT landscape has also been made. In the end, the time between the end work in the global system and the start of work in the migrated system was one day, that was a weekend, so the company's work did not stop, and users did not notice any significant changes. The amount of data transferred was over 10 TB, the total period of migration — 3 months. For a construction company ENKA, we run the migration with the unfolding landscapes of full SAP systems on virtual hardware with IBS data migration from the data center in Turkey. The volume of data transferred is more than 5 TB. The total period of migration since the adoption of the solution is just 1 month.

**What allows IBS to minimize downtime so dramatically?**

Of course, firstly, it is our skilled professionals. Secondly, our company has all the necessary resources to fulfill any request virtually. We don't need to look for contractors to purchase equipment. The experience of the company in the market is more than 10 years. Moreover, experience gives us the following advantage. All the processes, all the decisions have been repeatedly tested by us, all regulations are clearly documented, all verified, the algorithms of actions have been used many times. Of course, every company requires its own individual solution, but the algorithm is similar.

Migration service of enterprise applications, proposed by the IBS service center for supporting of business applications, is a proven technology that allows you to migrate any of the SAP system to new software and hardware platform with all the technical details.

**What are the solutions with the highest demand today?**

Firstly, it is the support of ERP systems. It is rather expensive to the companies to hire, retain and develop ERP specialists, it is easier to seek the services of IT outsourcing, and we know how to do it well. Secondly, IBS services are usually applied to the companies who decided to increase capacity and to become a leader during the crisis. The crisis will end sooner or later, and it is possible now to develop the business in order to succeed then. Among our clients there are quite a lot of such enterprises. Thirdly, it is data migration, which we discussed above. This is also a popular service.

IBS has already put it on stream. And it's not only a response to the need for migration of IT systems from foreign data centers to Russia in connection with the entry of the updated Law 152-FZ. The migration request came from companies in connection with significant changes in exchange rates against the ruble, as well as the need to replace hardware platforms with the end-of-life on a modern and more cost-effective platform solutions or resources in a private cloud. In practice, as a result of such migration, costs for hosting and support of "heavy" enterprise solutions can be significantly reduced.

Given the difficult situation in the economy, many companies are looking for ways to reduce their IT expenses dramatically. One way was reducing the cost of placement, hosting and support of corporate business applications.

**Is the value of your solutions above or below the market average?**

I'd say that it is below. The scale effect is in action here. Automatic production is cheaper than manual production. Thus, we control quality at all stages of implementation of our solutions

that gives us the opportunity to develop it further on. It is also possible to come up with a tailor-made solution and approach to each customer.

**Do you think that the new Law No. 152-FZ is good for the market and for business in general?**

For the Russian IT market it is certainly an additional driver development. For all businesses in general, we as experts also believe that this law is an improvement. Firstly, it will allow the companies to simplify their IT processes and not to worry about the sanctions. Secondly, it will give the business a good opportunity to save. Moreover, together with migration it is the chance to upgrade equipment or to move to a new platform. We are talking about saving on the IT staff and saving on foreign exchange rates. The migration will optimize the budgets for maintenance of IT infrastructure.

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