ESP-IJACT
ESP International Journal of Advancements in Computational Technology
ISSN: 2583-8628 / Volume 1 Issue 3 December 2023 / Page No: 135-148
Paper Id: IJACT-V1I3P115 / Doi: 10.56472/25838628/IJACT-V1I3P115

Original Article

From Legacy Systems to SAP FICO: A Journey of Financial Transformation and Process Efficiency

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Received Date: 30 October 2023 Revised Date: 04 December 2023 Accepted Date: 26 December 2023

Abstract: *From conventional financial structures to new sophisticated ERP systems such as SAP FICO, companies experience an enormous change in financial management and processes. Persistent with existing mainframe habits, most legacy systems lack the ability to integrate process data in real time and are concerned about scalability. This paper analyses key factors of the transition from traditional systems to SAP FICO, the issues that one may come across, the approaches to follow, and the advantages that result from the process. This way, using SAP FICO, organizations are provided with solutions to make their oldest and most vital business processes leaner, faster, less error-prone, and more standard-compliant. First, we analyze drawbacks and failures associated with historical models of enterprise resource management and then describe the main functions of the SAP FICO module. A literature review examines the previous case studies and research concerning ERP migrations. The various steps for migration are provided in categorical order in the methodology section, with information extraction, data mapping and checks. In particular, the results and discussion sections show some business improvements in a particular case study area to explain how implementing SAP FICO can enhance financial correctness and decision-making within an organization. This paper provides recommendations for the future direction of ERP financial systems and discusses current good practices. This research supports the findings using tables, flow charts, and figures.*

Keywords*: ERP, SAP FICO, Legacy Systems, Financial Transformation, Process Efficiency, Financial Reporting.*

I. INTRODUCTION

A. The Evolution of Financial Systems

Financial systems have made a thorough revolution over the years, as determined by technology, business practices, and the overwhelming global markets. This has evolved from manual paperwork to completely automated efficient platforms such as the ERP system that links different financial departments within companies. Every stage of this progress has added new factors into accounting that have challenged the preceding practices and enhanced their precision, speed and contribution to decision-making. [1-4] In the following section, an analysis of the main historical phases of financial systems development is provided.

Figure 1: The Evolution of Financial Systems

a) Pre-Automation Era: Manual Financial Systems:

Prior to automation, most of the management of finances had to be done manually, and this took a lot of time, besides being full of complications. Before adopting computerized accounting, records were kept on manual paper registers. Financial transactions were prepared and recorded by accountants and clerks by writing them down in ledgers or spreadsheets. This method required a massive amount of human resources, which led to a lot of wastage of resources. Reconciliation was

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sometimes achieved over a number of weeks, and reporting was frequently delayed, which was a problem for businesses seeking regular financial intelligence. Also, calculation or data entry mistakes were rampant and affected financial statements, creating loopholes that attracted expensive mistakes and violations of rules.

b) The Advent of Mainframe Computing:

Mainframes dominated the 1960s and 1970s, and the way they changed financial data processing cannot be underestimated. Business corporations started implementing mainframe computers to replace manual accounting processes. These machines were able to handle an incredible amount of data far faster and with far greater precision than manual labor. The use of mainframes made many basic accounting processes easily automated, decreased error rates, and processed cycles concerning payroll, accounts payable, and accounts receivable procedures. For the first time, large-scale financial data could be managed by organizations efficiently. Nevertheless, these systems remained centralized and posed a need for substantial infrastructure meant only for large-scale businesses because of the expenses.

c) Introduction of Financial Software and Desktop Computers:

In the eighties, the introduction of the desktop computer and financial software marked a revolution in the way that these tasks were performed. Small and medium business entities started incorporating accounting software, including QuickBooks, Peachtree and many other accounting tools that enabled business entities to undertake accounting operations electronically. This period signified the beginning of the departure from ledger-based solutions, where separate software delivered the possibility to perform multiple tasks that were relevant to performing accounting operations, generating invoices, and computation of taxes. These software applications were cheap, easy to use, and could be downloaded and installed on personal computers docked at individual desks. Thus, they were suitable for every organization, small or big. With the help of desktop accounting applications, financial management extended their services to the level of SMEs, facilitating the management of their financials as effectively as large multinationals.

d) The Emergence of ERP Systems in the 1990s:

The 1990s changed the history of ICT with the coming of Enterprise Resource Planning (ERP) systems. Through the 90s, some of these giants, such as SAP, Oracle, and People, came up with ERP solutions that integrated such business functions into one software platform. They facilitated rapid control not only of the financial activities of the company but also of human resources, stock, sales, and manufacturing. Accounting modules in ERP systems, including SAP FICO (Financial Accounting & Controlling), enhanced the general ledger, accounts payable/receivable, and financial reporting, all of which accounted for enhanced accuracy and efficiency. Yes, it helped in the actual business processes and also gave management and organization a clear view of how a company was actually performing financially, which in turn gave better ways to manage the enterprise.

e) Cloud-Based Financial Systems:

The 2000s and Beyond: The 2000s were characterized by cloud computing technology that made financial systems accessible, expandable and less expensive. With the help of cloud solutions in ERP, a company no longer needs to have a high-level infrastructure on the premises. However, application software and data were stored at central web servers, which made it more flexible and scalable to the environment. Traditional solutions in finance were often restrained by geographical locations, but with the cloud solutions, the access to data and the ability to conduct processes was given one click away. Application hosting also lowered the costs that came with system maintenance and updates since cloud providers offered the service. Fully-hosted Cloud ERP systems like NetSuite and SAP S/4HANA Cloud were adopted more frequently, especially among SMBs because, unlike conservative on-premise systems, they had deep and efficient financial management capabilities and features but were not burdened with high initial investment costs.

f) The Future of Financial Systems: Artificial Intelligence and Blockchain:

Looking to the future, the next wave of innovation in financial systems is driven by artificial intelligence (AI) and blockchain technology. AI is expected to enhance financial systems with greater automation, predictive analytics, and fraud detection capabilities. AI-powered systems can automate routine tasks, such as account reconciliations, invoice processing, and financial forecasting, reducing the need for human intervention and minimizing errors. Additionally, AI's ability to analyze large datasets will allow businesses to make more informed financial decisions and identify trends that might otherwise be missed. For example, AI can enable real-time financial forecasting, helping organizations predict cash flow needs or detect anomalies in financial transactions, thereby improving risk management. On the other hand, blockchain technology has the potential to transform financial systems by providing a secure, transparent, and tamper-proof method of recording financial transactions. Blockchain can streamline processes such as payments, auditing, and contract management, offering enhanced security and

traceability of transactions. The decentralized nature of blockchain ensures that once a financial transaction is recorded, it cannot be altered, which significantly reduces the risk of fraud. As blockchain adoption increases, it is likely to revolutionize how financial transactions are conducted, making them faster, more secure, and more transparent. In combination with AI, blockchain could create a new era of smart contracts, where automated transactions are executed based on predefined conditions, further reducing the need for manual oversight.

B. Importance of Financial Transformation and Process Efficiency

Financial transformation and process efficiency are key factors that are determinants of today's business success, responsiveness and adaptation to dynamics. [5,6] In every maturing organization and an increasingly integrated world economy, the efficient handling of financial operations becomes a competitive imperative. In this context, financial transformation is a broad concept that encompasses the changeover from conventional and possibly largely manual financial systems to dynamic, sound, clear, and integrated systems. This change occurs not only with the files containing the financial data but with the whole decision-making process in order to guarantee organizations' flexibility, precision, and capacity to meet the regulation requirements.

a) Streamlining Financial Operations:

The key motivation behind the financial transformation is to rationalize the process as much as possible and eliminate filial workloads. Organization is essential for efficiency as it allows a business to avoid duplication of processes, ensure the automation of some tasks, and ensure the simultaneous integration of accounting functions. It results in enhanced efficiency in the execution of affected operations such as accounts payable, accounts receivable, payroll and financial reporting. To make sure a business's everyday operations run smoothly, they are able to implement tools like ERP systems; for instance, SAP FICO enables a business to automate its invoicing, payments, and reconciliations functions. It also helps minimize the chances of making wrong decisions and completing processes that could formerly take as many as weeks or months.

Figure 2: Importance of Financial Transformation and Process Efficiency

b) Enhanced Decision-Making and Reporting:

Financial transformation means that decision-makers receive information on the company's state and its performance in the form of methodology and type of reports that are vital for strategy making. Using BI tools to connect with financial systems provides better reporting that is timely and contains a valuable analysis of the state of an organization's financials. The systems enable the preparation of financial reports in real-time, and so the managers and executives act on the basis of timely information. This results in better management of cash flows, profitability evaluations, and utilization of resources.

c) Cost Efficiency and Resource Optimization:

Another area touched by financial transformation is the reduction of costs. As firms adopt the systems, they depend less on manual tasks, paperwork, and old systems that need reinvestment. This also leads to a reduction in the number of steps, making the entire operation cost-friendly. Also, current financial systems are more flexible, meaning that they can be easily increased proportionally to the business and, therefore, lead to cost savings in the long run regarding infrastructure and staff. ERP systems that operate on the cloud are also advantageous in terms of costs, given the fact that they work with subscription models, which completely do away with the need for costly on-premise tools and servicing.

d) Regulatory Compliance and Risk Management:

Compliance is a big issue when it comes to doing business in today's evolved business world. Automating processes required for reporting revenues, expenses, taxes, and audit trails aids businesses in achieving financial transformation to meet local and international financial reporting guidelines, amongst other things. Most ERP software, like the SAP FICO, helps companies implements compliance features by being designed to meet or implement either IFRS or SOX compliance standards.

Hence, with the ability to update tax codes automatically, perform real-time tracking, and generate system reports, businesses are protected from unnecessary expenses and penalties.

e) Improving Collaboration and Data Sharing across Departments:

Document processing simplification improves corporate performance by promoting better cooperation between departments and improving data exchange. In most conventional systems, monetary records are confined to segregation in the financial division, while employees in other departments, including sales or operations, cannot afford real-time access to the data they require. Financial transformation, on the other hand, ensures that data is shared throughout the enterprise, which means that departments can work together. When using the integrated ERP system, financial information may easily transit to other functions, which fosters cross-functional integration and improves the timing for decision-making.

f) Enhanced Strategic Planning and Forecasting:

One of the most important practical changes in financial management is associated with enhancements in strategic planning and financial forecasting. By gaining better and more accurate data and with improved analytical features, businessmen can better choose what to do to improve this competitiveness. SAP FICO, for instance, makes it possible for any businesses to have full real-time details regarding certain financial metrics to adapt financially in accordance with the current market conditions. It also includes other sophisticated tools, such as predictive analytics, that help a company estimate future tendencies and failures if necessary. Such an action plan has to be taken in advance in order to secure long-term business development and insurability.

g) Supporting Global Operations:

Because multinational organizations work in different countries, currencies and legal requirements, financial transformation becomes even more important. SAP FICO, with its integrated modules, deals with multi-currency that is supported and is localization enabled for the financial concerns of any organization. These systems facilitate such functions as currency exchange, taxes, and consolidating of financial statements from many subsidiary companies; the routine helps make these processes more efficient for global organizations and ensure that their affiliate's operations are consistent with the company's guidelines.

h) Continuous Improvement and Scalability:

The constant advancements in financial systems involving the integration with cloud technology and AI keep organizations in a position to optimize the stream of their financial activities. Different business requirements can be easily addressed using modern financial systems due to their ability to adjust in terms of the number of transactions, increasing levels of reporting and differing users' requirements. Organizations can enhance the range of activities they are capable of performing without having to spend more money. Furthermore, when it comes to AI and machine learning in the context of a system, the application unveiled her ability to keep reaching out and becoming better to make financial systems more correct and efficient across time to foster even further business process enhancement.

II. LITERATURE SURVEY

A. Historical Perspective

ERP systems, especially those of SAP, emerged at the close of the twentieth century in response to a desire by companies for a more efficient means to operate their business processes. ERP links every aspect of enterprise business processes like financial, manufacturing, human resource and customer relationship management into a single application. This integration made it possible for companies to coordinate their operations and minimize the occurrence of duplications while increasing the accuracy of the records being handled. [7-11] Other authors have started studying applying aspects of ERP, starting with the subject of business process reengineering in the last decade of the twentieth century. Davenport's work demonstrated that ERP systems were as many tools of technical change as they were tools of organizational change; using ERP systems often necessitated changing business processes to unlock their potential value. Generally, through the integration of the various business functions, ERPS integrates a real-time data transfer mechanism, decision-making, and integrated operations. SAP, in particular, rose to the occasion in this and has the features that allow it to harmonize operations in multinational organizations and also change environments in accordance with the regulations of different countries.

B. Challenges of Legacy Systems

Before the implementation of ERP systems, most organizations had been using old-fashioned systems that were disjointed and outdated most of the time. Enumerated the following difficulties that organizations encounter when adopting legacy

systems. Of them, perhaps the most serious one was high operational costs. Components from the legacy systems needed a lot of attention in terms of updating, and rectifying issues, and, most of the time, required additional coding. These costs were worsened by the fact that many systems are standalone, and operating disparate systems to manage different functions of a business has led to the creation of data silos. Consequently, members of staff were forced to key in and extract data from various sources, with high chances of either inaccuracy or inconsistency. In addition, legacy systems provided minimal decision-making aids, as many of the applications failed to incorporate real-time data processing or the flexibility required to change in tandem with new business environments. Coping with these difficulties, many organizations began looking for ERP systems like SAP in order to enhance data integration, automate business processes and have more realistic tools for decision-making.

C. Transition to ERP Systems

Transitioning from consolidated heritage information technologies systems to enterprise resource planning applications, particularly SAP FICO, has been a topic worthy of discussion. As pointed the transition to using ERP, for example, SAP, reduces data entry, reconciliation and reporting, thereby improving the validity of the data being used. ERP platform eliminates repeated entry of data and therefore minimizes issues of inconsistency and human error. SAP FICO, for example, is a financial module that is developed to address problems that are associated with financial management since it consists of accounting, reporting as well as controlling. These modules eliminate many loopholes when it comes to reconciliations and financial reporting. It is very much observed in the condition of financial management where many organizations despite knowing the lucrative return on SAP FICO, remain rigid at basic mechanical incomprehensions and split systems. It makes it possible for organizations to post accurate financial statements, enhance financial planning and analysis, and complete month-end closings faster; attractively, this transition also allows organizations to obtain a broader level of understanding of their financial situation and the sorts of issues that may yet arise.

D. Success Stories of SAP FICO

Some of the case studies have shown the great improvement that organizations have attained by using SAP FICO. Outlined other instances when Organizations were able to locate and eliminate as much as 30% of previous manual input after its transition to SAP FICO. Those repetitive tasks of data entry, accounts reconciliation, and financial reporting were the most time-consuming and could now be automated, thus allowing the employees to direct their efforts to financial analysis and decision making. In addition, organizations noted improved compliance with the IFRS, which is important for firms operating in the global context. SAP FICO provided structured and standardized reporting templates that helped these organizations to implement the various complicated regulatory provisions effectively. These success stories demonstrate user experience with SAP FICO and prove that SAP FICO is not only the tool that helps organizations manage their finances but also assists them in reaching their strategic objectives in terms of international standards for financial reporting and record-keeping, enhanced processes, more efficient and effective utilization of resources, or human capital.

E. Challenges in Migration

Although many benefits are linked to migration to SAP FICO, some of the process of migrating could be daunting. However, one of the main challenges is data cleaning and mapping. Legacy systems keep data in many odd and disparate formats that take much time and resources to clean and reformat to match the structure of the new ERP system. A. Incomplete migration and/or wrong information migration results in undesirable shifts in business processes and resource allocation needs. The other difficulty inherent in migration is that end users offer considerable resistance. Some workers have used the other legacy system and could be more comfortable with it, not wanting to change to the new ERP system of practice since they may view it as being a nuisance or difficult to learn. This resistance can only be managed using great change management techniques, including training, communication from the management, and support. Also, high initial implementation costs are another consideration common with all the systems above. These costs include the cost for the licenses, expenses by the consultants, time and costs incurred in configuring, benchmarking, and training of users on the system. These difficulties, though not insurmountable, must be faced during the project and may be resolved by developing clear implementation strategies incorporating user participation and strict, systematic training programs.

F. Gap Analysis

Previous studies related to SAP FICO have placed significant emphasis on chronic technical advantages, including data accuracy, automated processes, and improvement in reporting structure; however, the overall financial and operational consequences of SAP FICO migration have been inadequately investigated. The majority of these analyses have focused on the business-level technology benefits in terms of direct functional effects that can be achieved, but few have addressed the issue of

showing how such benefits accrue towards sustainable superior economic returns and operational effectiveness at the firm level. For instance, though SAP FICO eliminates such conditions and mistakes that include complicated manual operations and tangible overloads, little is often said concerning its consequences concerning the possible extra profits the business can obtain within its connections, potential assignments of resource rationing, and strategic planning. This paper, therefore, seeks to bridge this gap by not only highlighting the benefits of SAP FICO in its technical sense but also evaluating the financial gains of organizations that implement SAP FICO. Thus, a positive picture of how technical and operational perspectives are drawn and can lead to the transformation of SAP FICO as an instrument for improving the financial condition of an organization and for the creation of competitive advantages is presented in this research.

III. METHODOLOGY

A. Migration Process Flow

The migration process is a step-by-step process detailing the conversion from legacy systems to SAP FICO as a way of avoiding hitches and fully embracing the new system. [12-16] Each phase plays a critical role in addressing specific aspects of the migration process, as detailed below:

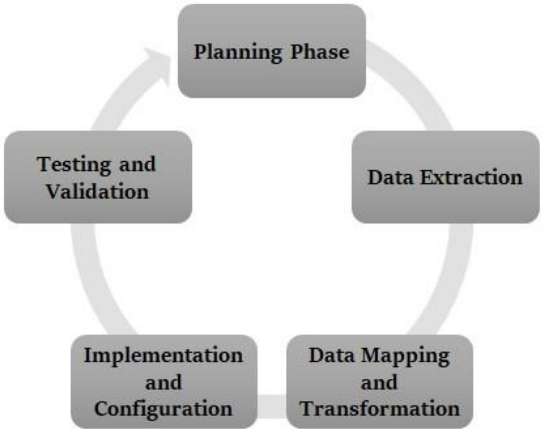

Figure 3: Migration Process Flow

a) Planning Phase: Assess Legacy System Limitations:

The planning phase is considered the basis of the migration process. In this phase, Organizations undertake a significant review of their established old systems and determine their weaknesses. All the Quadrant aspects, including data storage structures, reporting capabilities, integration issues and operations, are determined to be assessed. This phase involves defining objectives, controlling costs, and determining the resource allocation necessary for the migration process. Mastery of IT, as well as financial and operational stakeholders, is essential in order to achieve organizational objectives.

b) Data Extraction: Extract Relevant Financial Data:

Data conversion or data extraction means that all the possible financial and operational data from the existing system are extracted. They cited records of transactions, balance sheet accounts, accounts payroll or receivables, and other financial ratios among the specific data. The extraction process is basically manual; however, certain standardized toolsls or scripts are used to extract data to ensure its accuracy and coverage. This step is important for the management of historical records and, more so, continuity in the financial reporting process. Concern about data security is also paid, and personal data security is provided in the process of data extraction.

c) Data Mapping and Transformation: Align Legacy Data Formats with SAP FICO Requirements:

After data extraction, it is mapped and transformed according to the data structure and format suitable to the SAP FICO system. This involves the assimilation of data in existing systems into an SAP-acceptable format in terms of field parameters, including account code, cost centers, and transaction types, among others. Data mapping is always a gruelling affair since data inconsistencies, say duplicated, insufficient, or outdated records, are usually spotted during the exercise. This phase also involves mapping financial organizations, for instance, mapping profit centers to particular accounts, as seen with SAP FICO.

d) Implementation and Configuration: Install and Configure SAP FICO Modules:

Implementation of the SAP FICO system takes place when the system is implemented in the organization and configured to match the organization's needs. This entails creating first organizational modules such as Financial Accounting (FI), which is

used in the management of general ledgers, accounts payable and receivable and asset management and secondly, the Controlling (CO), used in the management of costs and profitability. The configuration also covers determining tax codes, company codes, fiscal year variants and operating controls. This phase is also repetitive, where the design undergoes a few cycles to develop the best style that will satisfy operations and requirements from the regulatory bodies.

e) Testing and Validation: Ensure System Accuracy and Reliability:

Verifying and validating is important so that problems are detected and remedied before using the system. This phase includes testing the SAP FICO process, including journal entry, reconciliation, and reporting. This process aims to evaluate the correctness of data and check if the workflows are correct. The approach of the parallel run, where the existing system and SAP FICO run together, is sometimes carried out to get the desired output and build confidence in the new system. In the course of testing, the observed abnormalities are recorded and corrected to keep the results as accurate as possible.

f) End-User Training: Train Staff to Use the New System Effectively:

The success of the migration crucially depends on users' acceptance, which is why the training phase is very important. Finance, accounting, and information technology employees undergo training to ensure they know how best to use SAP FICO. Training activities refer to basic and advanced activities to enable the users to understand how to move around effectively, as well as important operations and capabilities of the system and reporting. It is advocated because it ensures that the employees understand their area of operation in the new system. Maintenance and support are provided after system migration to meet day-to-day inquiries concerning the new system and increase confidence in the system.

B. Tools and Techniques

The conversion from traditional systems to SAP FICO presents several challenges, such as using sophisticated tools when converting, validating and testing data. The following tools and techniques play a pivotal role in ensuring accuracy, reliability, and efficiency throughout the migration process:

Figure 4: Tools and Techniques

a) ETL (Extract, Transform, Load): Tools like SAP Data Services:

The extraction transform load tools simplify the conversion of extract finance and more data from legacy systems to SAP FICO. For instance, SAP Data Services is a strong ETL system that helps an organization extract data from different sources, convert the data, and load the data in SAP FICO format. These tools allow the client to manage large volumes of data to ensure data accuracydata is never compromised. Moreover, ETL tools offer characteristics that include data lineage, which shows the path of the data from its original location in the source system to the target system and real-time processing so that data can be processed as soon as it is refreshed in the source.

b) Data Cleansing Software: Eliminate Redundant or Incorrect Data:

Perhaps the most important factor that must be considered so that an SAP FICO migration can be successful is data quality. Before migration, a data profiling tool detects and removes excessive, incomplete or incorrect information from the legacy system. It is known that these tools use algorithms to identify duplications and inconsistencies as well as outliers in the given data. For example, data with missing values or of a different format from the rest of the record can be highlighted and corrected at the same time. Through increased accuracy of the data cleansing, mistakes in the financial processing are minimized, and the migrated data is of high quality. Some of the familiar tools are SAP Information Steward and Talend Data Preparation.

c) Testing Frameworks: Automated Testing for Process Validation:

SAP FICO migrated tests can be only as effective as the testing framework selected to validate the migration of the system. It entails using real-looking tools like the SAP Test Automation Framework (TAF) or Selenium to mimic true-to-life money scenarios and check indeed if things like journal entries, ledgers, and financial reports are operating as they should. These frameworks also afford the ability to perform regression tests to ensure that changes or configurations are not creating new problems. Automated testing not only helps complete the testing procedures faster but also allows for the possibility of avoiding some mistakes while creating the test cases.

C. Case Study Approach

To supply an actual life business case study, I am unable to present a legal company name unless it is public knowledge. However, if you are seeking a real-world actualization of the move from the traditional systems of financials to SAP FICO, here are examples of leading companies that have integrated SAP FICO and went through such a transition. [17-21] You can choose one of these companies or research their case studies for a more concrete example:

a) Daimler AG:

SAP FICO was also being adopted by automotive giant Daimler, responsible for such vehicle brands as Mercedes-Benz. The company transitioned from a traditional system to SAP FICOto rectify the situation, address financial reporting and regulatory legislation, and achieve international operations. Some of the issues that were prevalent at Daimler were, for instance, slow month-end closes and data that was disintegrated across various subsidiaries, which would be eased soon after the firm adopted the use of SAP FICO.

b) Coca-Cola HBC:

Coca-Cola HBC, a company that shares a bottling contract with The Coca-Cola Company, sought to seek a major ERP overhaul with SAP FICO included. Before migration, Coca-Cola HBC had a problem with its financial systems, which were isolated, slow, and unproductive: Assessment. The company was able to transform the overall visibility of its financial aspects, accuracy, and efficiency to address its international development by implementing the SAP FICO system.

c) Nestle:

Nestle is the world's leading food and beverage company. Nestle also went in for SAP FICO during its transition to world-class ERP. Before the migration, the company struggled with the sheer number of financial processes across multiple markets, which were underpinned by a complex array of legacy systems. With the help of the SAP FICO, Nestlé achieved better control over its financial management processes, shortened reporting time, and increased data quality worldwide.

D. Data Sources

When working on any migration project, and particularly when migrating from legacy systems to SAP FICO, the project team must consider data sources that can inform system performance, user experience, and success of the migration process. Below are the key data sources used in the case study:

Figure 6: Data Sources

a) Financial Transaction Logs:

One of the most important data types to look at during migration is financial transaction logs throughout the migration process because they contain a list of all financial transactions such as invoices, payments, journal entries and account reconciliations. These logs suggest how the historical and current financial data, which must be migrated into the new SAP FICO system, looks. They assist in checking that no data is deleted or changed in the migration steps and act as the point of reference to confirm the full migration. From transaction logs, organizations can also get other insights that may be necessary prior to or after migration but could have gone unnoticed because of fragmentation.

b) ERP Performance Metrics Pre- and Post-Migration:

Measures from before the SAP FICO implementation and after the changeover are useful for assessing the migrated project. Such measures involve information such as the time to complete a transaction, the number of system breakdowns, transaction failure percentages, and even the correctness of the returns produced. Data retrieved before a company's migration provides a foundation against which its subsequent performance is compared, while information obtained after the migration demonstrates progress or ongoing issues. With the help of metrics like the speed of the financial reporting, level of reconciliation, and any-time access to the data, SAP FICO can be quantified, and its value can be ascertained in terms of Organizations ' needs such as timely decision-making and better reporting time.

c) Employee Surveys Assessing Usability:

Valuable information from the employees is useful in evaluating the new SAP FICO staff interfaces from the user perspective. Users who work for finance teams, accountants, and similar professionals can answer the question of how well the new software meets their needs after it has been introduced. Such surveys assess parameters like ease of use, the new system's reliability, the effectiveness of training and the problems experienced during system conversion. Gathering information from employees about possible areas where system configuration or personnel training might be insufficient could help adapt these aspects to be maximally beneficial within the system. Positive feedback can also give an appreciation of the level of satisfaction and success of the SAP FICO project.

IV. RESULTS AND DISCUSSION

A. Pre-Migration Challenges

The part of the study that comprises results and the discussion focuses on ascertaining the change provoked by the migration of the company's durable finance management system, SAP FICO. A few problems encountered before migration, changes observed after migration, usage trends/migration rate, and some issues discovered during migration are discussed in this section.

a) High Financial Reconciliation Errors:

Before adopting SAP FICO, the problems related to the company's financial statements' reconciliation were quite substantial, primarily because of the company's extensive utilization of obsolete manual paper-based systems and a plethora of unconnected applications. It was also found that approximately 15% of the total of its financial transactions were involved in reconciliation errors that produced different balances in the general ledger and the company's accounts payable and accounts receivable records. Most of these errors required considerable time to detect and rectify, while they undermined the credibility of the financial reports produced by the legacy system. Due to constant fine-tuning and tweaking to the specific numbers called for by the month-end close process, the financials were not always ready on time, and the impacts were realized across the personnel and departments. Thirdly, the high error rate raised concerns over the accuracy of the financial data, which caused senior management to be unable to make a sound decision.

b) Delayed Month-End Reporting:

This led to another large issue that they faced, namely, the fact that month-end reporting was delayed. The control system could not process the extent and variety of the company's monetary exchanges in real time as envisioned by the modern financial environment. Therefore, the time taken to close books by the finance team extended to the month-end cycle by an average of seven days. One of the delaying factors was keying in the data manually, scattered data across different systems, and the absence of efficient methods for consolidating the financial data. Also, one of the many problems faced when compiling the various financial reports was that the approval period of one report took rather long because different departments supplied data at different times. Although the first idea of the extended month-end process was to provide extended and consolidated financial information, it restricted these insights for a longer period. It postponed the giving of strategies that decision-making and tactical acumen required, hampering the adaptable reaction to the market transformations.

c) Rising Operational Costs:

Another drawback that was closely affecting the company was the many operational costs related to the old financial system of the corporation. Keeping the structure means that constant adjustments needed substantial efforts from the IT division, increasing costs. The firm also revealed that about one-fourth of its IT spending was going toward maintaining the legacy environment for issues such as system repairing, countless patching activities and disproportionately expensive support to software needs. Many of these resources became depleted, and most of IT's time was spent running a system that has become outdated, inefficient and incapable of meeting the company's current demands. This left very little margin for growth in technology, improvements in processes, or the adaptation of new that would be far more efficient. The high operational cost was an issue and brought attention to the need for a better system, such as SAP FICO, to reduce manual workloads, improve the current financial process, and cut long-term operational costs.

B. Post-Migration Improvements

a) Reconciliation Errors:

Most financial reconciling differences were separated by migrating to SAP FICO. Before the migration, the company corporation had incurred a high error level, marking 15%, of their financial operations, leading to delays and contradictions in their financial statements. After migration, this error rate hit a record low of 2% – a dramatic reduction of 86.7%. The primary

cause for this decrease was the direct effect of the SAP FICO system's reconciliation module, which minimized errors and reconciled accounts in real-time. This brought efficiency in terms of matching logical fields from the different systems compared to the previous system, which required a lot of manual work, hence many possibilities of errors. Consequently, the corporation saw less leveraged discrepancies, improved and corrected records, and generally improved compliance with X month-end closes processes, in turn improving the organization's financial stability.

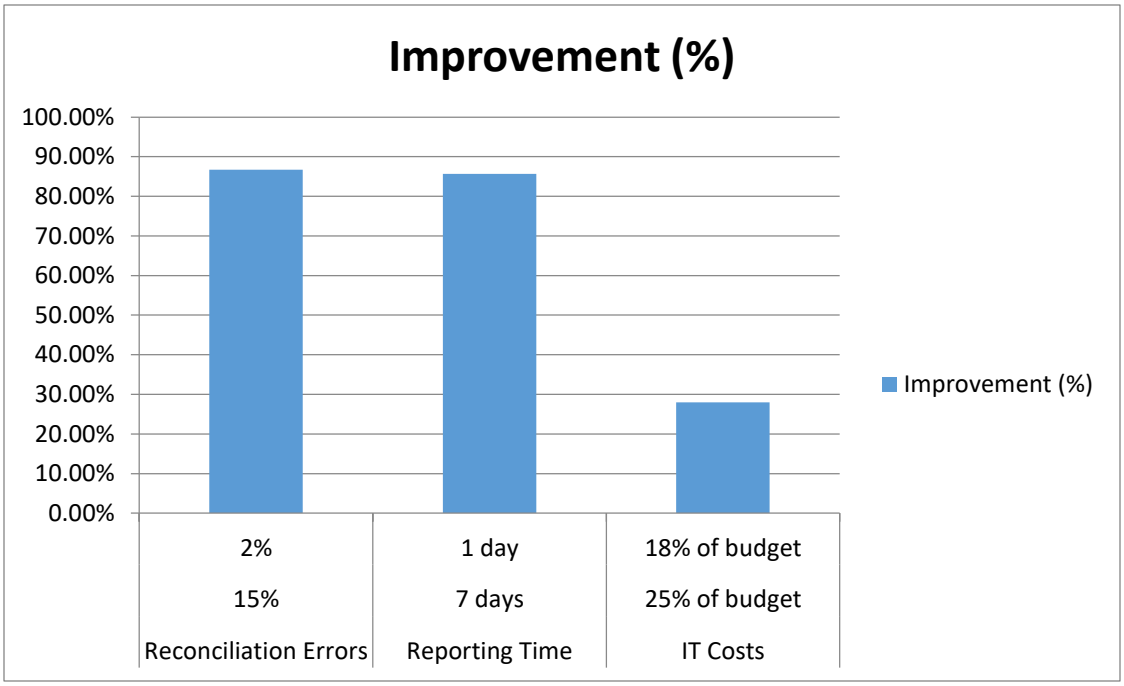

Figure 7: Graph representing Key Performance Metrics

b) Reporting Time:

Indeed, it is a fact that the post-migration process is effective in various organizations, and one of the major benefits was the decrease in month-end reporting time. While at the corporation, the finance team could take up to 7 days to close their books, mostly due to disparate systems and manual flow of information before they integrated SAP FICO to help solve this problem. After migration, reporting time was reduced to one day; hence, an 85.7% efficiency gain in reporting was realized. SAP FICO was instrumental in this because the application provides real-time data processing and integrated workflow processes. It also helps to support the centralization of data collection from various departments within the system to eliminate rekeying. Further, the integrated reporting features in SAP FICO ensured that financial data in the company was highly visible and relatively easy to compile real-time reports, resulting in highly reliable and comprehensive reports within the shortest time possible. This method of preparing and submitting reports enabled the decision makers to have the current status of the financials right at the start of the month, making it possible for the management to make faster decisions on business issues they were facing.

c) IT Costs:

Implementing this tool also reduced other operational expenses, enabling efficient utilization of resources after the migration to SAP FICO. Before the migration, the Resource Utilization at the corporation was at a considerable level, with a quarter of the IT expense being spent on the upkeep of the old system. A large portion of the budget was used to rectify the problems associated with the system, develop patches for the system, and provide support to the old system, which constantly needed attention. Overall, IT costs have been reduced by 28% after the start of SAP FICO implementation, and today, the company invests only 18% of its total IT budget in system maintenance. Another advantage of SAP FICO is its centralized and more efficient platform, thereby reducing the reliance on maintaining the legacy system, which in turn helped divert the IT manpower and more organizational development and improvement work. Furthermore, it evoked fewer support requests and, consequently, less time to resolve system-related issues, translating to cost savings. With these savings, the Corporation's IT Base technological upgrades and digital transformations are worth more to the company's strategic business.

Table 1: Key Performance Metrics

Metric	Pre-Migration	Post-Migration	Improvement (%)
Reconciliation Errors	15%	2%	86.7%
Reporting Time	7 days	1 day	85.7%
IT Costs	25% of budget	18% of budget	28%

C. User Adoption

a) 80% Satisfaction with Real-Time Reporting:

An analysis of the after-migration employee opinion polls suggested that 80% of employees reported high levels of satisfaction with the real-time reporting feature of SAP FICO. Enhancing reporting speed and accuracy brought about a positive change in management decisions across his organization. Managers and the company's senior executives could now obtain the latest figures at any one time as the new system eradicated the time lag characteristic of the original system. Real-time reports, therefore, ensured quicker identification of trends and characteristics of financial aspects and conditions to improve forecasting and enhanced responsiveness to conditions on the market. Also, reporting in real time was more effective since this facilitated quick perception of some key economic indicators, which improved business performance. The finance team and the management especially value saving time on reporting since getting financial information from the old system was a challenge.

b) 70% Noted Reduced Manual Workloads:

The other advantage that came out clearly in the post-migration surveys was the savings on hand operations. Virtually 70 percent of the employees, especially the finance and account staff, noted that at least half of data entry, reconciliation or other routine work was cut down. SAP FICO replaced many prior automatic calculations and other works that had to be done manually in between financial data, like combining data from numerous spreadsheets, matching accounts, and correcting errors, which consumed much time and effort on the part of the financial workers. In the process of implementing SAP FICO, most of these assignments were made to be more mobile, faster, and effective, enabling many employees to plot more effective work such as researching, analyzing, and budgeting. The introduction of these tasks, which were otherwise manual, helped enhance efficiency and effectiveness, while individually, they had many errors that affected the old system. Thus, employees 216 saw the work of reducing an overload as more realistic and manageable; in fact, they claimed that they were more productive and could contribute more effectively to achieving organizational strategic objectives. This also inevitably resulted in increased job satisfaction, as people worked less on routine and duplicate work and more on meeting the requirements corresponding to their abilities and further careers.

Table 2: User Adoption Insight

User Adoption Insight	Percentage
Satisfaction with Real-Time Reporting	80%
Reduction in Manual Workloads	70%

D. Challenges Observed

a) Initial Resistance to Change:

Another problem that the corporation encountered during the change of SAP FICO includes the following: With the introduction of any other enterprise system, the management realized that the greatest threat was the resistance to change. Most of the employees who had embraced the traditional system resisted the adoption of SAP FICO because they thought the new system would be challenging to work on. As much as it was inefficient, the current traditional system was a known entity to staff, and the thought of having them upgrade to a new platform was a source of worry, given the disruptions this would cause in their daily operations. This resistance was great, and the company ensured that it developed a special change management strategy periodically to counter-check the resistance levels. Management was also involved by relaying positive information about SAP FICO, stating that in the long run, more efficiency and depth in financial analysis would be achieved, hence complying with the information processing theory, which states that... Other focused users, such as the promotion persons with compulsory training in the previous system, were recognized as "champions" who helped their colleagues adopt the new system. A major benefit of peer support was dealing with resistance while lending confidence to the new platform. Employee worries were addressed through constant updates, town hall meetings for feedback avails, and practising blended participation, making the transition easier to accommodate.

b) Learning Curve for Staff Unfamiliar with ERP Systems:

Another drawback observed during the switching process to SAP FICO: the period necessary for staff to get acquainted and train on the new system. Although SAP FICO brought loads of improvement and advanced financial management methods into the picture, the employees, particularly those in the finance department, found it hard to understand and manage the various facets of this ERP system. When migrating from a legacy system to an integrated ERP such as SAP FICO, the employees in the organization were compelled to adjust to new processes of working, new reporting channels, and new methods of entering data. These problems arose due to the new approach to implementing the system: the sudden lack of knowledge about how it can be applied and how the user interface functions led to a temporary slowdown in productivity during the adaptation period of the staff members. The corporation developed a comprehensive training programme to address such issues involving practical demonstrations and online sessions. It provided the users with the necessary user manuals and links to support centres. This structured training plan was specifically intended to familiarize the staff with the products and make them feel more confident when using the system; additionally, it lets the staff practice during training without the system actually being live. Furthermore, after migration, there was a program of organized support for the client as he or she started a new phase of the livelihood independently. Due to this, the employees began accepting and integrating themselves into the new system in their working environment and, over some time, mastered the complex aspects of SAP FICO, thus enhancing the overall performance.

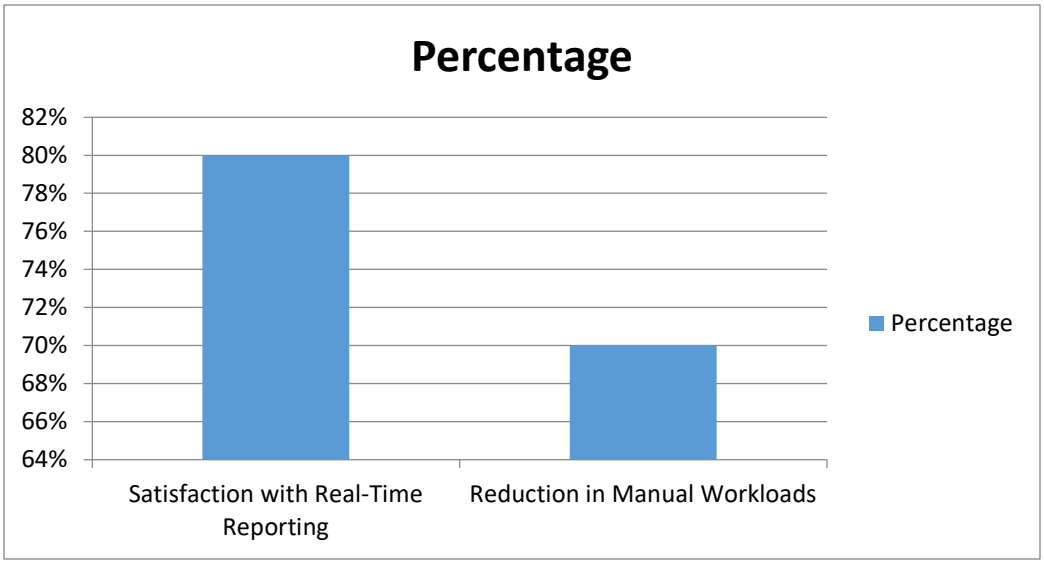

Figure 8: Graph Representing User Adoption Insight

V. CONCLUSION

A. Summary of Findings

The corporation saw many advantageous changes after implementing SAP FICO and mentioned the financial and operational changes that occurred after the change. First, there was naïve financial enhancement, and the reconciliation mistake dropped from 15% to 2% out of 1,000 records. This has led to a sharp decrease in the errors incurred to a high degree since the SAP FICO has augmented the processes that usually required extensive manual handling by staffers. Second, there was a dramatic improvement in process efficiency. The consolidation time, such as the month-end reporting time, was reduced from seven days to one day, therefore enhancing the organization's financial close processes. Third, due to the introduction of SAP FICO, the corporation improved its ability to address new standards of IFRS. The automated tools within the system, which provide the functionalities of reporting and compliance, helped the company address global regulatory standards, hence laying smaller percentages to face compliance and/ or financial reporting issues. All in all, the implementation of SAP FICO for the corporation proved that the company enhanced its financial structure and made significant changes from scattered and obsolete to SAP FICO, thoroughly improving the financial conditions of the corporation.

B. Recommendations

From the analysis of the migration process, the following recommendations are made to enhance the future success of SAP FICO. To start with, the human resources in each company need to be adequately trained, especially in enhanced training programs. As for the first requirement, it is imperative to perform initial training and include further training programs to

ensure employees remember the system and know many of its functions and possibilities. An ongoing learning approach will guarantee that the employees harness the full potential of SAP FICO so as to eliminate any mistakes that may exist while at the same time increasing efficiency. Second, it is recommended that periodic ERP usage audits be carried out to evaluate the system's effectiveness and detect the existing problem areas. They can expose gaps, unused capabilities or vulnerabilities that the firm needs to address and make adjustments and changes to the system to remain relevant for business functions. Thus, providing an opportunity for cross-workflow communication and feedback will reveal any problems that may be encountered in the organizational system, and it will shape the environment to allow for the improvement of the identified working system during the course of work.

C. Future Scope

From here, it is possible to list several areas in which its applicability can be broadened in the future, as well as the potential for developmental and research work. One such opportunity is using artificial intelligence (AI) in the framework of the SAP FICO system. AI could greatly improve the system's predictive modeling fraud detection and take more labor intensive financial tasks. Indeed, applying certain machine learning tools to the SAP FICO makes it possible to predict better financial conditions, introduce necessary changes to decisions made, and make reporting more efficient and accurate in its execution. However, future research should look at the costs and benefits of small enterprises embracing ERP systems such as SAP FICO. While large companies have made vast strides in implementing ERP solutions due to the large amount of capital they control, many of the smaller companies are reluctant to get on board with the perceived high costs involved and fail to see how leaner enterprises could benefit from ERP efficiency including improved financial processes of small companies. Paying more attention to knowledge gaps relating to elaborate benefits and obstacles within the small business setting might be useful. It could also increase the market base of SAP FICO, thus being useful within smaller organizations.

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