How to Avoid the Most Common Pitfalls of an SAP Solution

Introduction

If you're thinking about deploying SAP applications in your company, your first thoughts might be about increasing productivity, reducing costs and gaining strategic advantage. However, your second thought might be this: How do I do all that with the least business disruption?

That's a good question, considering the depth and breadth of SAP applications. As an enterprise suite, SAP links and tightly integrates every business process across your company. Since it touches so many business functions, the potential for problems during the implementation, management and upgrade cycles is that much greater – and there are many pitfalls along the way.

The first step to avoiding these pitfalls is to gain a full understanding of what they are:

Implementing Applications

- *Failure to document and blueprint business processes*
- *Undersizing the system infrastructure*
- *Failure to make testing a priority*

Ongoing Application Management

- *Understaffing or overstaffing the application management team*
- *Not maintaining current software releases*
- *Failure to take advantage of the full business value of SAP*

Upgrading Applications

- *Failing to make a solid business case for upgrading*
- *Poor planning and project management*
- *Poor testing or lack of testing*

The right SAP managed hosting and professional services provider can help you navigate around these pitfalls to minimize business disruption. By employing best practice approaches, proven methodologies and lessons learned from managing many deployments, they can help you avoid the most common pitfalls – and the pains – of implementing, managing and upgrading your SAP solutions.

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Implementing SAP Applications

Implementation Pitfall #1:
Failure to document and blueprint business processes

Situation: You chose SAP to automate, streamline and optimize business processes to better align them with your overall business goals. But it's hard to transform processes without having a clear understanding of what those processes are in the first place. If you don't know what your business processes are, how can you automate and support them within the SAP environment?

As you start documenting processes, you may be surprised at the inconsistencies you discover. For example, you might ask three different people how they go about completing the same process and receive three different answers. That's not really a business process, it's everyone doing their own thing with no assurance that any of the processes truly support overall business goals.

Anxious to move the implementation along, you may be tempted to skip this time-consuming, yet crucial process of correctly mapping all user requirements into new workflow models within the SAP environment.

Business impact: You move forward into the implementation phase. You have standardized, streamlined and automated business processes and workflows. The problem is, they bear no resemblance to how employees actually get their work done.

Further, without documenting processes, you may have completely missed critical processes that needed to be brought into the SAP environment. This could mean lost orders, inaccurate reports or missed scheduled maintenance. As a result, you find yourself re-engineering the same business processes over and over.

Resolution: Work with a managed hosting provider who understands the value of the SAP business "blueprint" process: taking the time up front to clearly define, document and validate the business processes you want the solution to support. They know it's the most important step in your implementation project.

In addition to ensuring that your new businesses processes incorporate user requirements, the right service provider will incorporate SAP best business processes – as well as lessons learned from other successful implementations – to create consistent, automated and efficient workflows that support and align with the goals of your business.

Implementation Pitfall #2:
Undersizing the system infrastructure

Situation: To gain approval for your implementation project, you need to present upper management with a budget, including the cost of the hardware infrastructure needed to support the SAP solutions. The problem is, the typical budgeting process comes before blueprinting. How do you size for something to support your business processes, when they haven't been defined or documented yet?

You set to work to come up with a figure that's as accurate as possible. But the price of servers and storage far exceeds the budget you want to submit for approval. So you begin to downsize the infrastructure requirements.

Business impact: The good news is that your hardware budget was approved. The bad news is that the server and storage resources you purchased aren't enough to support your newly defined business processes within SAP. Requirements changed during the blueprinting process and people wanted more functionality from the SAP system than originally scoped.

So, you move into production and the systems are too slow, lacking the capacity and throughput to keep up with demands. Instead of being commended for transforming business processes with SAP, you're flooded with complaints from all levels of the organization. And, you're in the uncomfortable position of having to ask for more funding.

Resolution: Because managed hosting providers have sized systems to support SAP applications many times, they can help you properly scope the hardware infrastructure up front. That way, you can submit a more realistic initial estimate for budget approval.

To avoid problems in the production environment, SAP managed hosting providers also help you re-scope the hardware infrastructure after the blueprint phase to determine how your needs have changed before any equipment is procured.

If you need to boost server and storage capacity at that point, it's much easier, faster and cost-effective with a managed hosting provider. Their flexible, virtualized system infrastructures can deliver increased capacity on demand. And, because they spread hardware costs across many customers, the cost of that extra performance is much less than adding a dedicated server in your own data center.

Implementation Pitfall #3:
Failure to make testing a priority

Situation: You've laid the groundwork: You've done a great job blueprinting and sizing. However, in your rush to go live, you curtail the testing phase.

You have only a handful of resources devoted to the testing process and no proper testing scripts in place to ensure each business process functions correctly. You test the full end-to-end business process scenario, but limit the scope of testing to only a few people.

The tested process works: order entry clerks enter an order, it generates a shipping receipt, then creates an invoice. The order-to-cash cycle is complete. The problem is, your test didn't simulate realistic business conditions, including the number of users and transaction volumes.

Business Impact: You go into production, with your full staff of order entry clerks placing orders simultaneously. Bottlenecks instantly occur, performance degrades and productivity grinds to a halt. Along the way, data is corrupted, leading to errors and increasing business risk. Results are also unpredictable: It sometimes takes 2 minutes to process an order, sometimes as much as 10 minutes. At that point, you don't just have a testing problem, you have a customer service problem.

Resolution: Find an implementation partner experienced with best practice testing procedures for SAP. The right partner will have standard, consistent and automated testing scripts and processes in place, adhering to the SAP ASAP testing methodology.

By employing testing scenarios that reflect real-life user populations and workloads, problems can be detected and solved at the earliest possible stage to eliminate performance bottlenecks, increase stability and ensure data consistency before you go live. As a result, you can move smoothly and confidently into the production environment.

Ongoing SAP Application Management

Application Management Pitfall #1:
Understaffing or overstaffing the application management team
Situation: Since a typical SAP solution spans so many business functions, people and sites, it truly requires a 24x7 staffing model. To properly manage the applications, you need multiple people with different expertise and skill sets. At the very least, that would include an operating system manager, a database administrator and an SAP Basis manager, along other data center staff members who have SAP functional, transactional and technical expertise.

Business Impact: Unless you're an extremely large company with a very large IT shop, you normally wouldn't have that many people in your data center managing one solution on a 24x7 basis. It's just a very expensive staffing model that would certainly draw the attention of your CFO. On the other hand, you wouldn't want to understaff, requiring people to work 10- to 12-hour days, which can lead to overtime charges and frequent staff turnover.

Resolution: The managed hosting model provides the 24x7 data center staff you need to manage and support SAP applications. Your costs are lower, because they're able to spread the expertise and salaries of a full data center staff across many customers. Since they manage so many customer implementations, they can apply their ongoing learning experiences to your implementation with proactive maintenance activities that keep your systems highly available.

Application Management Pitfall #2:
Not maintaining current software releases
Situation: To manage, maintain and support your SAP applications properly, you must review and apply appropriate software patches, fixes and updates. Given the time involved in doing so, you may fall behind if you manage your own applications in house.

There are also other business reasons that may keep you from making changes to the system. You may be in the middle of a major acquisition, product launch or your busiest season and you can't afford a minute of downtime to apply the latest software support pack. Or, you just don't know enough about the releases to know which are appropriate to your business.

Business impact: While current SAP software releases are always supported, SAP and other software vendors typically begin to phase out support for older releases as time goes on. So, if you don't stay current with the latest software patches, fixes and updates, you run the risk of losing support for the version of software you're running. Eventually, when you seek support for older applications, it will not only take longer to resolve problems, but you'll be charged on a much more expensive "time and materials" basis.

Resolution: It's much easier to keep current with your SAP software when you work with a managed hosting provider. In fact, they're highly motivated to apply the latest software changes to each customer implementation because it's easier to maintain and support the same release across many customers.

Since they manage multiple SAP implementations, most managed hosting providers are very familiar with the purpose and functionality of each new release. They can also evaluate each release for you to determine if it's required for your application. Further, they can thoroughly test each patch, fix or update before applying it to the production environment. All this works to minimize the disruption that software changes can bring and ensures you get the software support you need.

Application Management Pitfall #3:
Failure to take advantage of the full business value of SAP software
Situation: Most likely, you chose SAP applications to create an entirely new approach to how you "do" business. However, there may be an area of your company where you continue to run best-of-breed software to support a discrete business function. It's running smoothly, so why change? Or, parts of your company may still rely on manual processes. Again, they work, so why change?

Business impact: As an enterprise system, SAP supports business processes across all functions. So, in the first situation, you're actually paying for two software packages to support one business function, driving up your IT costs.

In the second, you're missing the chance to automate processes that are probably consuming a great deal of time and resources. Most of all, you're missing an opportunity to integrate these processes into the SAP environment, where they can be simplified and optimized for the greatest business advantage.

Resolution: With a thorough knowledge of the full SAP suite, a managed services provider can help you reduce software costs by identifying and evaluating additional opportunities that offer the best potential for improvement within the SAP environment.

Further, by applying best practices and the experience of managing multiple SAP implementations, an SAP managed hosting provider can help you move beyond automating and standardizing business functions to innovating end-to-end processes across your company.

Think of it as the difference between merely speeding order-entry processes to increase worker productivity – and innovating the entire order-to-cash cycle to meet quarterly profit projections and stockholder expectations.

Upgrading SAP Applications

Upgrade Pitfall #1:
Failing to make a solid business case for upgrading
Situation: In an effort to gain support and funding for your SAP upgrade, you focus on IT benefits (maintaining current release levels) rather than business benefits (expanding functionality, resolving pain points and supporting corporate strategies).

Business Impact: Management never approves the upgrade because they don't understand the business value. As time goes on, support is phased out for your version of SAP applications. Problems become more expensive to resolve as you're charged on a "time and materials" basis for unsupported solutions. Problems also take longer to resolve, which impacts user productivity and, eventually, revenue.

Resolution: Tap into the experience of an SAP managed hosting provider to prepare the best business case possible. Because they are well familiar with the latest SAP upgrades, they can do a thorough job of mapping your organization's needs and goals to the new functionality the upgrade offers.

With this knowledge, your service provider can document specific upgrade enhancements that can relieve pain points, boost productivity or eliminate costs. And, since they are experienced with other upgrades, they know how to package and present that business value

to business leads and C-level executives in your company – helping you make a compelling business case for the upgrade.

The stability advantages offered by the upgrade from SAP R/3 to SAP ERP 6.0 can sweeten the upgrade pot and add to the business value of the upgrade. SAP affirms that the core of SAP ERP 6.0 will be stabilized with no changes through at least 2012. For business leads and executives, that translates into less disruption in the future – a business value they can certainly understand and appreciate.

Upgrade Pitfall #2:
Poor planning and project management

Situation: The upgrade is in process, but it's going way over schedule – putting a strain on internal staff and budget. Most likely, you didn't take enough time up front to understand requirements, set realistic expectations and goals and communicate the plan to those involved.

Business Impact: The upgrade project is delivered late and over budget. Major disruption results as internal staff struggles to finish the upgrade, putting other projects on hold. Since the project wasn't scoped correctly and the right people weren't consulted, the new functionality brought by the upgrade fails to meet user and line-of-business manager requirements.

Further, without clear expectations and goals set and shared right from the start, upgrade benefits are unclear. As a result, management begins to question the upgrade decision and voices doubts about return on the upgrade investment.

Resolution: Develop a blueprint for the upgrade project. The right implementation partner can help you create a blueprint, project plan and schedule to deliver your project on time and within budget. This includes gathering requirements from line-of-business managers and users right from the start.

By mapping their needs to new functionality within the upgraded SAP application, they begin to feel part of the upgrade process, not victimized by it. And you quickly become their ally in streamlining the business processes they support every day.

Your upgrade partner will work with you to develop a clear project plan and schedule, so you'll have realistic timelines and expectations to communicate to those impacted by the upgrade and to those funding it. By defining goals and achieving milestones along the way, you'll find it easier to win the support and confidence of all involved. Further, with targeted business goals defined up front, you'll find it easier to measure success and validate your upgrade project.

Upgrade Pitfall #3:
Poor testing or lack of testing

Situation: You know that any upgrade requires the SAP system to be down and not available to users for a period of time. You've planned for that and set expectations. But the upgrade is running behind schedule. To catch up, you take a shortcut through the testing phase. Your four-day testing period shrinks to two days.

In response, you fail to test the full end-to-end business process cycles the upgrade supports. In accounts payable, you simulate an abbreviated check run with a few key users and only half the data load. It looks good and you move forward into production.

Business Impact: Without realistic testing conditions, you don't get realistic results – you get unexpected results. In addition to performance bottlenecks from the increased data volumes and expanded user base, there's a glitch in the payables cycle. Without a test across the full procure-to-pay cycle, you had no idea that the upgrade affected an interdependent business process. Checks are not only late, they're inaccurate.

Resolution: Work with an experienced SAP service provider who can approach the upgrade testing process in a standard, structured and reliable way. Having managed many SAP upgrades, they can employ automated testing scripts that significantly streamline – not rush – the testing process.

Because they have a thorough understanding of the new functionality the upgrade provides, they know the critical business processes that must be tested. They also know the importance of re-validating the full business process cycles changed by the upgrade, as well as the interdependent processes.

Further, they test under "live conditions," using the same data volumes and user loads as the production environment. This delivers consistent and repeatable results you can depend on as you move into the production environment.

AT&T: Preferred SAP Managed Hosting Provider

As a preferred SAP managed hosting provider for North America, AT&T can help you gain all the benefits of an SAP solution – increased efficiency, cost control and strategic advantage – without common pitfalls that can occur with SAP deployments.

The AT&T portfolio of application services extends across the application lifecycle – from implementation and infrastructure management to ongoing management, upgrades and support. After helping hundreds of clients across a range of industries get the most out of their investments, AT&T's Hosting & Application Services knows how to apply proven methodologies and best practice approaches to help you minimize disruption and maximize the strategic advantage of SAP applications to truly innovate your business processes.

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05/09/08 AB-1321

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