

SAP implementation – speed it up and keep costs down by doing it right the first time

How to bridge the gap between solution architecture and business architecture.

by David Winders, Senior Consultant, iGrafX

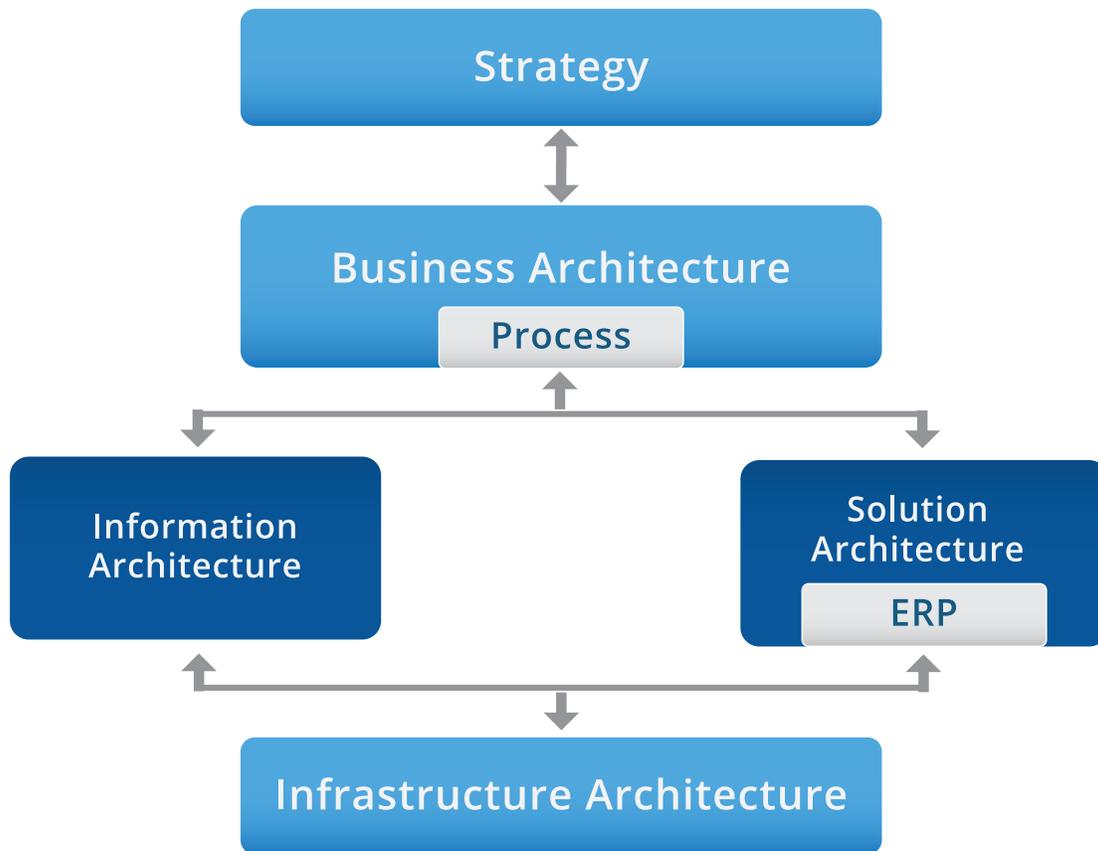
The German company SAP® is the first choice for many leading organisations when in need of creating a centralised management system, otherwise known as an enterprise resource management (ERP) system. Companies that have chosen SAP are taking on a substantial investment that they know will need to be managed effectively. Risks with such an endeavour could be a roll-out that is slower and more expensive to get started, becoming a burden to maintain over time; the business spends more time managing the ERP system than using it to help achieve goals like customer service, market response and innovating products and services.

How does a company mitigate this risk? By making sure that the SAP implementation is in alignment with business needs and strategies from the beginning, and driving implementation choices from a process-centric perspective. This doesn't require any more work up-front than an IT-centric implementation plan. However, it will save an extraordinary amount of work down the line, and ensure that the efforts for the SAP implementation and ongoing management result in the business outcomes you desire.

Getting Business and IT in sync

The very first step in making an SAP implementation process-centric is to make sure that there is a common understanding of how the execution of processes in SAP will support the business goals and be measured against them. Stepping back and viewing the big picture, SAP is just a technology within a larger landscape that includes an eclectic scope of business components including strategies, goals, rules, measures, risks and organisational elements to name a few. Without the context of the overall enterprise, SAP integration becomes about enabling an IT system instead of enabling business capabilities and the achievement of strategy.

A business driven by implementing an IT system, rather than driven by implementing the ability to serve customers or goals, has a high potential of losing the plot and spending money on the wrong things. The more disconnected a systems initiative becomes from the overall strategic map, the bigger the risk. An SAP- or systems-centric approach creates a polarisation between SAP and non-SAP; an issue that creates, as a consequence, large amounts of avoidable cost and delays in many SAP implementations. In effect, it creates a chasm over which communication between solution architecture and business architecture becomes a major challenge.



SAP in the world of business

Source: iGrafX

The operating model of a company can help bridge the gap between solution (or application) architecture and business architecture. An operating model, which is essentially a description of how your business does, what it does and connection through to why it does it, is a lot more than just describing processes. An operating model is the design that describes how to make strategic intent real. By creating an operating model for the enterprise as a whole, and hooking the SAP landscape into it, SAP becomes an enabling technology to provide the means to the business outcomes' end.

The communication challenge

If you have one group of people communicating in a language based on the world of SAP and another group speaking from a wider perspective in the terms of what they do on a daily basis then things are sure to get lost in the translation. SAP manages business on a transaction basis with predefined object-based functionality used to complete business tasks; it doesn't recognise the flow of processes, value or decisions and certainly doesn't recognise anything outside of its domain. The SAP landscape is introspective, in that anything outside of the SAP footprint, like a manual paper process or physical task, doesn't register in its thinking. A business stakeholder however will have a view of what his or her department does as part of a wider picture that incorporates both SAP and everything that surrounds it. The SAP transactions most often are component steps in a wider process or flow of activity. People understand flow as an overall set of activities that relates to their job a whole a lot better than a list of SAP transactions. These different perspectives can create issues when the business is trying to communicate their needs for SAP implementation.

Coming from the other side, if those who are configuring SAP try to redefine business user requirements formulated in terms that the user doesn't recognise, the risk is high that an SAP project goes live without the user getting what they thought they would. When this involves expensive SAP consultants for weeks or months to accomplish the desired result, then this is not good news. Business analysis and requirements definition in these circumstances is difficult at best, potentially leading to expensive mistakes. In these circumstances the skills of a business analyst are needed to achieve well-formulated requirements that conclude in successfully delivered functionality. More efficient requirements-gathering and better communication results in less errors and rework and a faster definition phase; in the world of SAP, even more than elsewhere, time means money. And this also means better understanding of the business needs for the SAP implementers.

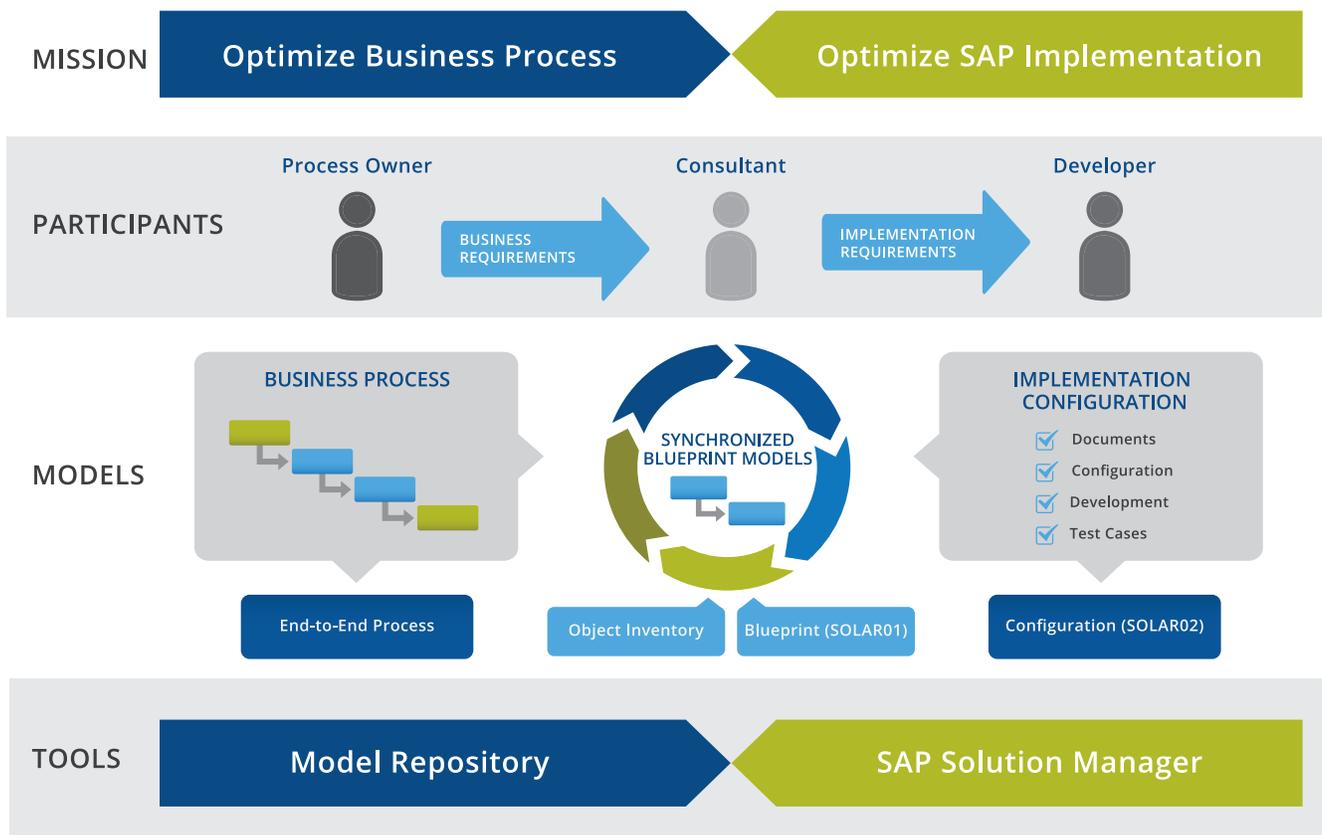
Integrating Solution and Business Architecture

The goal to achieve when leading an SAP implementation is to create a holistic view of the company processes, including manual and automated steps, in a structure that both the business user, process performer and implementation teams can understand. Separate your process knowledge from your IT implementation structure, but draw alignment between the two, keeping your process knowledge in a form everyone can understand.

SAP uses a software tool called Solution Manager® to implement new or changed projects. The plan it produces to do this is called a "blueprint". Solution Manager and its blueprint focus on the technical details such as SAP transactions and SAP components. It does not however show where manual process steps are carried out and under which circumstances. Although Solution Manager is designed to be user-friendly, it is very much an IT tool that is meant to help IT and SAP consulting teams configure a highly complex technical system. Its inaccessibility to business stakeholders reinforces the risk of non-transparent implementations and non-alignment, which threatens any hope of an agile IT design.

The desired outcome is to be able to communicate process implementation requirements to Solution Manager (and in turn to implementation teams) in a way that business stakeholders understand; this usually is best achieved with a visual approach through the use of flow diagrams in a standardised way to act like “characteristica universalis”. This enhanced communication tactic is complementary to SAP’s recommended ASAP® implementation methodology. The key to this holistic design approach is a modelling capability that can capture the operating model and show how the SAP components fit in. This helps communicate to SAP integrators what the business is seeking to achieve by giving context and perspective to the bigger world outside of SAP.

There is no assumption that IT should give up Solution Manager and work within business constraints, nor that the business should learn the language of SAP and train on how to see process design in the methodology of SAP. Rather, by synchronising the two, communication is greatly enhanced by allowing IT to use their tools, and business to use theirs.



Synchronising models with SAP Solution Manager

Source: iGrafx

SAP requirements from the business perspective

The process for initial implementation or subsequent changes in SAP is an iterative approach starting with the business architecture as mentioned above. The next step is working on the business requirements as to the specific implementation itself. The connection to the business model will help here: be wary of any customisation of SAP “best practices” and focus on the customisation of areas that are of competitive differentiation to the business. Your operating model will guide you to which areas these are through traceability to critical business factors and strategic objectives. Even if you don’t need to customise the SAP system, it is crucial to document the requirements for what the business expects, and how it fits in to the general business landscape before implementation begins. These requirements will outline system and human resources, manual and automated processes, and how the processes will be measured for performance against the strategic goals of the organisation. The requirements are documented at least in part by visual flows that describe the TO-BE model created with a combination of SAP objects and business elements.

At this stage the business model makes sense to business users, they can see the flow and understand how the SAP solution plugs in to help deliver against business goals and desired customer experience. When all is clear and agreed, the model is imported into SAP Solution Manager for the SAP experts to do what they do best, implement SAP. Information about the SAP landscape becomes and stays an integral part of the business architecture for the reference and analysis of business groups, and requirements about workflow in SAP becomes available to implementers for integration and change management. The two remain tightly synchronised so that the model, which is representative of real process knowledge in the company, stays also representative of real implementation, and becomes an asset to be reused from project to project.

This approach makes business requirements better understood in a timelier manner, with less re-work required. That in turn results in a more cost-efficient project by saving on consulting fees. With better-understood business requirements, the chances of a successful SAP project grow proportional to the clarity provided. The age-old message heralded by business analysts “rigorous work on requirements during the earlier stages of a development life cycle is the best investment” rings true.

The bottom line

Better, more effective business analysis and requirements definition results in an implementation that will satisfy business needs and avoid costly rework. A clear operating model that demonstrates the role that SAP plays within the holistic picture of how your business works will allow you to target your efforts and make real your defined strategy. You will do the right projects and spend your money on the right things. With solid business architecture supported by understandable and transparent communication you can announce “we’ve fulfilled our goals” towards business transformation, which is so much more than just implementing a system.

About the author

David Winders mentors clients on the development of business architecture, incorporating an enterprise-wide view into all levels of the organization to communicate a vision and baseline for business change. David specializes in training, customer experience development and process improvement through the application of agile and Lean business change in both the IT and business sides of business transformation.

About iGrafx

iGrafx process management and analysis solutions empower organizations to achieve maximum performance. iGrafx captures and communicates the alignment of strategy, people, processes and technology, and unites the entire organization around delivering business value. iGrafx delivers strategic and operational decision support to enable our customers to become and remain world class competitors.

For over 20 years, iGrafx products and services have been helping companies of all sizes across the globe manage their processes and optimise their business.

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