

# **EMPOWERING SAP SUPPORT FOR BUSINESS IMPROVEMENT**

An SAP Customer Benchmark Survey



FORWARD THINKING COMPANIES NEED TO LOOK AT  
HOW THEY CAN REDUCE THEIR OVERALL  
OPERATIONAL COST SIGNIFICANTLY, SO THAT THEY  
ARE IN A STRONG POSITION TO INVEST FOR THE  
FUTURE AND DRIVE BUSINESS GROWTH

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## INTRODUCTION

Bluefin Solutions has conducted a SAP Support Research programme to help benchmark a variety of support operations across the UK SAP customer community. We have actively taken a more qualitative approach to this piece of work, focusing our efforts on attaining detailed responses from across 20 varied SAP organisations. This has provided the opportunity to highlight interesting analysis and draw significant conclusions from such a diverse range of companies.

When looking at your own SAP environment, it's not always obvious whether it's running at its optimum and whether changes should or could be made. The overall objective of this programme has been to help SAP customers appreciate the current state of the nation for SAP support and to help identify and benchmark best practice for their own IT Support organisation. The research aims to provide insight and comparisons into how other SAP customers are running their support operations and give a market indicator as to where improvements in your organisation can be made.

Specifically, this research aims to:

- Provide an analysis of a cross section of current SAP support environments
- Demonstrate strengths and weakness across different SAP landscapes
- Illustrate common areas for potential cost savings
- Outline potential areas for business performance improvement

THERE NEEDS TO BE A  
CONTINUED FOCUS ON  
STREAMLINING COMPLEX  
BUSINESS PROCESSES

- HIGHLIGHTS** From conducting this benchmark research, a number of interesting points have been presented:
- There is now a much greater focus on integrating IT further into the business. It's now all about the business processes
  - Few organisations are using the available tools and methodologies effectively for business process improvement
  - As changes happen, they are not being tested thoroughly enough and companies are certainly not assessing the business impact in enough detail
  - The majority of SAP customers surveyed are running a SAP support operation where operational costs appear to be too high
  - To achieve the balance between cost reduction and innovative business value, IT needs to be perceived as a business partner and not a commodity resource
  - The SAP support teams comprise individuals from the business, with a solid understanding of the technology and the business, but who lack visibility to impact specific business processes
  - Lack of capacity to train and take advantage of the technologies available will lead to increased resource issues already on the horizon.

This paper examines these findings in more detail, providing insight and observations from the wider community.

THE MAJORITY OF SAP CUSTOMERS  
SURVEYED ARE RUNNING A SAP SUPPORT  
OPERATION WHERE OPERATIONAL COSTS  
APPEAR TO BE TOO HIGH

**A FOCUS ON STREAMLINING  
COMPLEX BUSINESS PROCESSES**

There is a significant change in emphasis when aligning IT complexity with SAP support. Our findings demonstrate a perceived low complexity across third party integration and language support and medium to high complexity across business data, SAP interfaces and in particular, business processes.

Historically, the focus was about monitoring and operating the SAP environment and ensuring the technology was in place to guarantee availability all of the time. It was a tactical approach to IT, with little emphasis on understanding how the business used this technology.

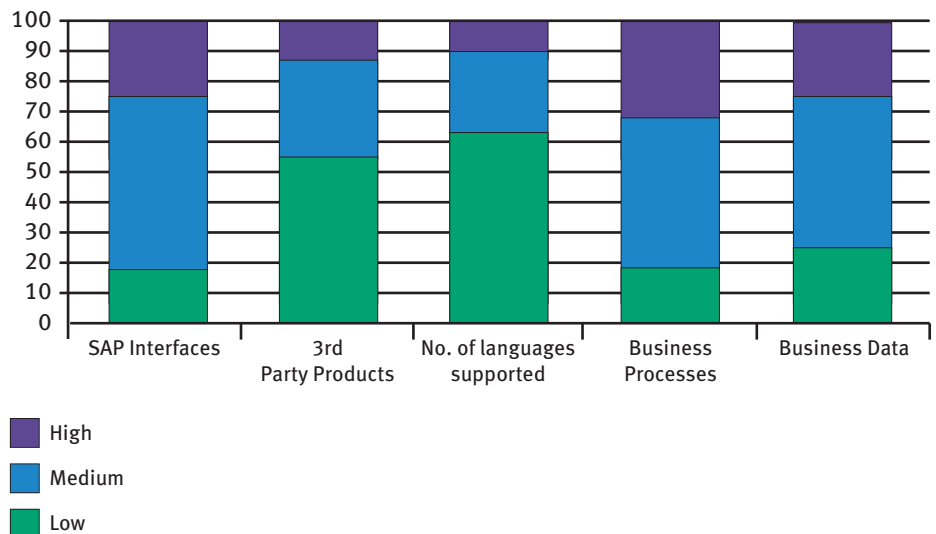
The shift has changed and now it's about integrating IT more deeply into the business. SAP support teams need to understand and embrace the complex business processes in their organisation and focus more energy on improving the efficiency and effectiveness of the technology solutions supporting them.

Effective SAP support is no longer just about providing the technology and processes to ensure business continuity and cost reduction. Forward thinking support teams need to address the challenges of the CIO and the business as a whole and provide an environment of continuous and accelerated improvement and innovation.

The SAP support team needs to continually focus its attention on:

- Business Process Monitoring
- Business Process Performance
- Business Process Improvement

**Please highlight the levels of complexity of your SAP environment**



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### FEW ORGANISATIONS ARE USING THE AVAILABLE TOOLS AND METHODOLOGIES EFFECTIVELY FOR BUSINESS PROCESS IMPROVEMENT

It wasn't long ago that organisations were struggling with the basics of total technology outsourcing and implementing the appropriate levels of managed services across data centres, hardware, operating systems and networks. Our findings demonstrate that most successful organisations now have this level of infrastructure and associated service level agreements in place. The technology to run SAP is very much 'business as usual'.

- SAP customers are achieving the required service levels
- Their infrastructure is future proof
- The hardware is adequately sized
- It always integrates easily with other products

However, 75% of SAP customer organisations surveyed said they are not using available Solution Manager Tools adequately. Although they are using the existing SAP support tools, they are not taking advantage of the best practice processes and methodologies provided by SAP and haven't been given the opportunity to understand how to use the tools effectively.

SAP Enterprise Support customers have full access to the Solution Manager Toolset and the Run SAP processes and methodologies, but generally don't appreciate or understand the benefits these tools offer. These best practice tools are designed to provide SAP customers with visibility across their key business processes, for business process control and improvement. With so few organisations taking the lead, this is a great opportunity to take a support operation from 'business as usual' to setting new standards.

Interestingly, none of the respondents have a formal SAP accredited centre of expertise, despite the majority having an Enterprise Support Contract in place.

THE SHIFT HAS CHANGED  
AND NOW IT'S ABOUT  
INTEGRATING IT MORE  
DEEPLY INTO THE BUSINESS

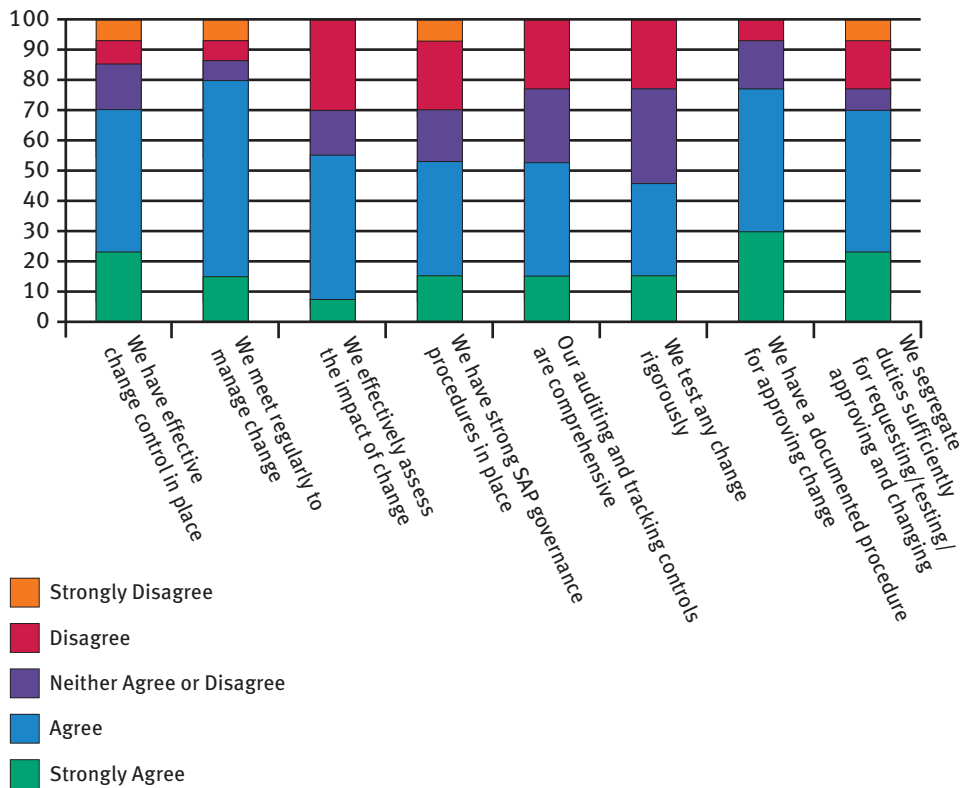
**A NEED TO INVOLVE THE BUSINESS IN CHANGE**

Managing change with support is critical, and understanding the real impact of this change is an essential ingredient for any successful support operation. This benchmark survey reinforces this view; 85% of all respondents believe they have an effective change control process in place and meet regularly to ensure that changes to the environment are managed effectively.

However, more interestingly, just under 50% of all respondents don't have a firm grip on the impact of this change to the business when they are making these changes. Likewise, only 43% of respondents believe the changes they are making are being tested rigorously enough.

Some elements of change could have a significant impact on the wider business. Although most companies are managing change, they are not doing enough testing and certainly not assessing the business impact in enough detail. The majority of businesses believe they have a change process in place, but don't believe they are close enough with the day to day running of the business to understand the impact.

**Which of these statements do you agree with?**



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### A NEED TO REDUCE % COST OF SAP SUPPORT OPERATIONS

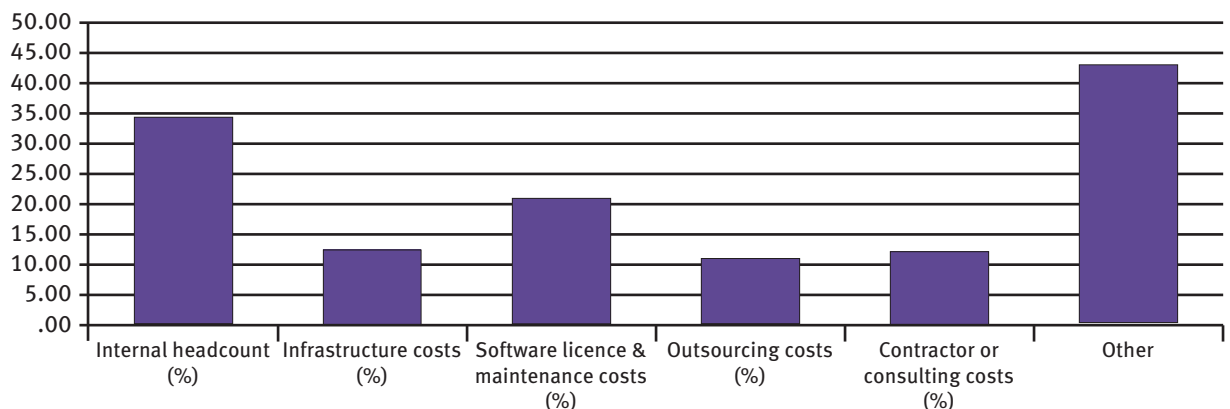
Across the survey sample, 50% of all respondents highlighted their SAP support costs were operational, with 27% infrastructure related and 23% related to software licences and maintenance. With such a high focus on operational costs, it strongly highlights a significant opportunity to drive down the overall total cost of ownership.

Figures directly sourced from SAP, taken from customers who have a SAP Centre of Expertise, indicate that operational costs should be, at the most, 40%, using the Enterprise Support toolkit, with further reductions to 30% of operational costs following standardisation, automation and overall support optimisation.

Compared to the sample taken for this analysis, those SAP customers running their entire support operation using SAP Solution Manager and RunSAP are enjoying a significant reduction in their support overheads. Overall, they are making savings across the board on areas such as operational performance, operational monitoring, operational administration and problem management.

The opportunity is clear for SAP customers who have moved to a SAP Enterprise Support Contract, but are still yet to fully embrace the best practice toolkits and methodologies. The implementation of a proper Centre of Expertise brings more business value with fewer risks and lower overall costs.

Please indicate the % cost of your SAP Operation



**A NEED TO STRATEGICALLY REPRESENT IT FURTHER WITHIN THE BUSINESS**

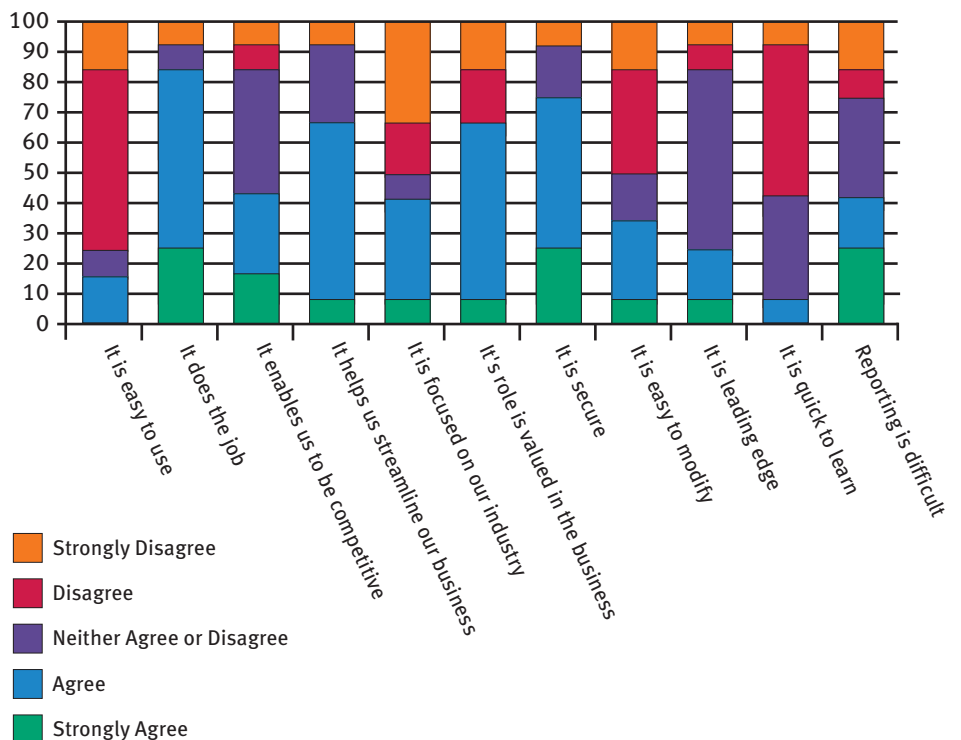
With the need to take IT further into the business, and to align technology with business process improvement, there is now, more than ever, a strong business rationale to have IT representation at board level. As financial pressures become more acute and technology continues to evolve, the IT relationship with the business becomes more and more complex.

However, 42% of respondents do not have any such representation, and feel IT is not strategically aligned to their business. This lack of business alignment is also reflected by the 83% of respondents who believe their business sees SAP as a commodity. In contrast, 60% of SAP customers believe that SAP is difficult to learn, slow to modify, but does the job well, and helps the organisation remain competitive.

Generally, IT departments are facing challenging times. On the one hand they are continually being questioned about the cost of their operations, and on the other, they are being asked to provide innovative solutions to help drive business growth. Across all the respondents, 75% continually have to justify IT costs, but interestingly only 50% find it easy to measure these costs. However, even though 50% can't measure these costs, they are still able to keep within their budget.

To truly achieve a fine balance, and respond to the challenge of cost and value add, the SAP support team needs to be positioned as a business partner within the organisation, rather than a commodity team.

**How is SAP perceived in your organisation?**



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## **THE RIGHT TEAM, BUT NOT NECESSARILY THE RIGHT TOOLS**

Although the business majority see SAP as a commodity, they still believe the SAP support team communicates at a business level and not just a technical one. Good communication is essential and this is what you need from your support team. The majority of support teams comprise people who have come from the business and can talk with the business on their terms, with a clear understanding of the business processes they support.

However, what is apparent is that they don't necessarily have the visibility of the appropriate levels of analysis to enable them to improve their SAP solution and, as a result, are unable to deliver an enhanced positive impact on the business. All the evidence is consistent with the view that SAP support teams deliver a good service, but this research highlights that it could be enhanced. Given the time to understand the tools and best practice at their disposal, SAP operational costs could be reduced and the team could deliver a much greater value add to the business.

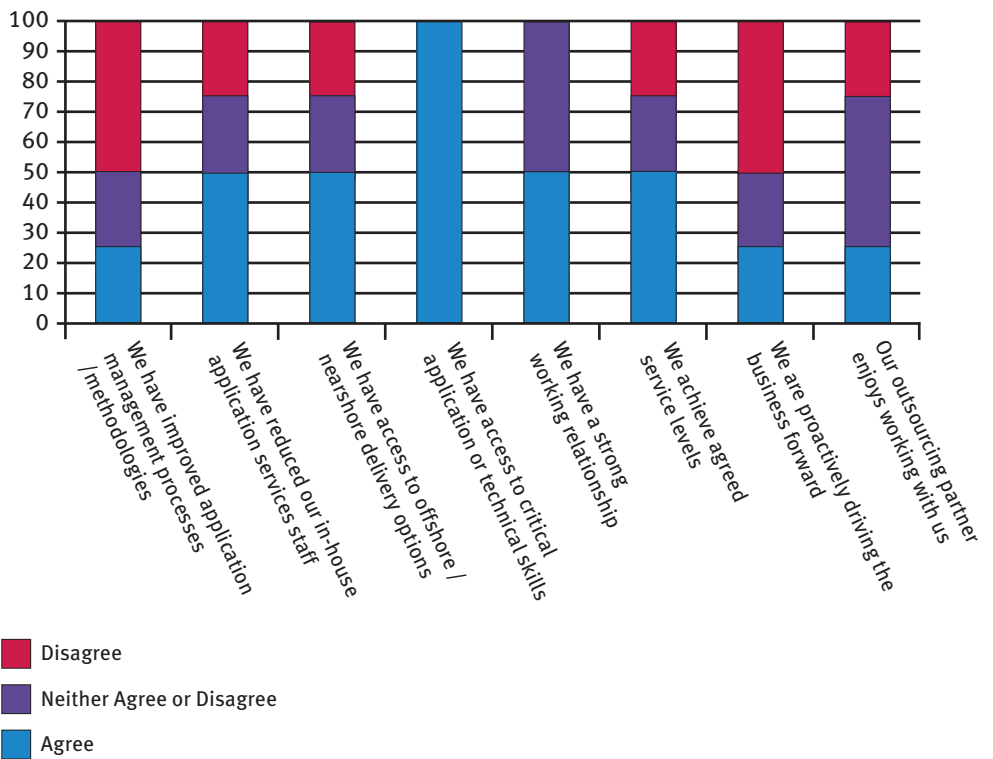
ACROSS ALL THE RESPONDENTS, 75%  
CONTINUALLY HAVE TO JUSTIFY IT COSTS,  
BUT INTERESTINGLY ONLY 50% FIND IT  
EASY TO MEASURE THESE COSTS

**EFFECTIVE OUTSOURCING IS NOT JUST ABOUT BUSINESS CONTINUITY**

Of those that have already moved to an outsourced model, the tendency leans towards a technology hosted solution, with over half of respondents outsourcing the hosting of their SAP environment. For all those that have outsourced, everyone agrees that they are achieving significant benefits in comparison to managing their own systems and infrastructure. All respondents highlight a reduced headcount and a more cost effective solution when managed from a data centre. Likewise, they all agree that they have access to critical application or technical skill sets that they didn't have before.

In line with these outsourcing benefits, 50% of respondents put emphasis on a strong working relationship with their outsourced partner, providing business continuity at all times. However, this doesn't necessarily deliver innovation and business process improvement. To remain competitive, it is the responsibility of the technology teams to become more integrated with the business and jointly come up with innovative ideas to help drive the business forward. Although outsourcing gives access to a delivery capability, it is reactive rather than proactive. Organisations that are focused on strategically aligning IT with the business should work with an outsourced partner that adds real business value rather than just business continuity.

**Please highlight which of these statements reflects your outsourcing experience?**



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### **INCREASED RESOURCE ISSUES ARE ON THE HORIZON**

Eighty per cent of respondents have confirmed their SAP support teams are fully utilised and continually challenged in keeping up with the latest technology. All of their energies are focused on the day to day running, leaving little time for training. Surprisingly, despite specialist SAP skills being in high demand, only 17% of respondents have an issue with attrition. Although the current economic climate will have an impact on this, the majority of respondents highlight that they are part of a motivated team.

This team spirit is unlikely to last, as 60% of respondents highlight that although they currently have the right levels of skills, they have no time to train due to current day to day priorities and workload. When the team is unable to keep up with the technological changes and improvements which have been invested in the organisation, it will have a direct impact on the resource levels in the future. This is certainly one to watch out for.

Streamlining operations and automation are particular areas of SAP support that have been highlighted as opportunities to bring more value back into the business and achieve the returns on the original SAP investment. The challenge remains the ability to ring fence resource to make this happen.

**STREAMLINING OPERATIONS AND AUTOMATION ARE  
PARTICULAR AREAS OF SAP SUPPORT THAT HAVE BEEN  
HIGHLIGHTED AS OPPORTUNITIES TO BRING MORE  
VALUE BACK INTO THE BUSINESS**

**SAP SUPPORT TEAMS  
HAVE THE APPETITE  
AND ABILITY TO DO MORE**

The limitations of support operations is a common theme throughout this research and this impacts the full value the SAP support team can achieve. Access to, or ability to use, the latest SAP support tools directly affects the overall business process improvement and potential cost savings.

These teams have an understandably strong focus on the core business as well as a major role in streamlining application costs. Business as usual is continuity and this is a particularly competent area for all involved. However, only 25% have access to the latest technologies or the capacity to drive improvements into the business to help achieve a competitive edge.

The SAP support teams are all 100% focused on their respective businesses, but this focus is mainly on continued system availability rather than enhanced business value. The opportunity exists to bring technology further into the organisation, leveraging the latest solutions and toolsets, as well as maximising industry expertise.

There are continued opportunities to reduce costs across the complete SAP support operation, but business as usual understandably takes precedence. Business continuity and firefighting remains the day to day activity, resulting in maximum resource utilisation. Support operations are busy dealing with system challenges rather than root causes of problems. Everyone is doing a great job keeping these complex businesses up and running. However, the future lends itself to more complex environments that require innovative thinking, and the capacity to exploit them.

THERE ARE CONTINUED  
OPPORTUNITIES TO REDUCE COSTS  
ACROSS THE COMPLETE  
SAP SUPPORT OPERATION

**CONCLUSIONS** It's very clear from the responses received that day to day business continuity is now considered to be business as usual. With much tighter legislation in place for financial and IT operations, all organisations need to ensure they are fully compliant with their own industry standards for processes and security. Now, however, it's not just about ticking the compliance boxes; SAP support teams need to continually demonstrate added value to the business.

Continued business improvement is very much the current agenda item, but the challenge is that very few organisations have the tools to hand, or know how to use these tools adequately to enable them to bring real value to the business.

From this research, there is an obvious call for action for many SAP customers. The enabling tools and data are available and in place. However, time needs to be given to support teams to allow them to understand these tools, to analyse the data, and present this value back to their organisations.

In particular, there are a number of observations that can be drawn from this survey:

- There needs to be a continued focus on streamlining complex business processes
- SAP support teams could be empowered to provide an environment of continuous and accelerated improvement and innovation
- The tools for improvement are available, but SAP support teams are not seizing the opportunities. They don't appreciate or understand the benefits that the tools offer
- There is a need to strategically represent IT further within the business
- To help integrate IT with the business, the teams need to involve the business more rigorously in change processes
- Following a move to an Enterprise Support Contract, there is still significant opportunity for SAP customers to reduce their overall operational costs
- There is a need to equip support teams with the tools and visibility of data to add real value to the business
- The SAP support team is 100% focused on the business, but more focused on business continuity rather than enhanced business value
- Organisations looking to address the need for extended support could work with an outsourced partner that adds business value as well as business continuity.

As SAP continues to evolve, the tools and methodologies provided have been designed to provide SAP customers with the visibility they need across all of their key business processes. With so few organisations taking the lead, this is a great opportunity to take a support operation from business as usual to one that is leading the field.

Forward thinking companies need to look at how they can reduce their overall operational cost significantly, so that they are in a strong position to invest for the future and drive business growth.

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## ABOUT BLUEFIN

Bluefin Solutions is a dynamic, global technology consultancy working with clients to achieve greater business performance by optimising SAP technology.

The Bluefin 'Business performance with SAP' strategy underpins and builds on the company's consulting, technology and outsourcing expertise, to create sustainable value for clients and their stakeholders. Working with clients to understand their business objectives and challenges, Bluefin Solutions is a leading SAP business and technology consultancy with an established reputation for quality and excellence for its customer service, consultancy approach and delivery.



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