

5 BIG MISTAKES

People make
when creating an
SAP Centre of
Excellence

Resulting ^{it}



Since 1972, SAP AG have licensed their software to over 30,000 large businesses.

The product has changed immeasurably over this period – and it now touches every aspect of every business process in every industry sector.

Given that many large organisations have been using SAP for such a long period of time to run their business, you might expect there to be a wealth of information available to help SAP customers plan how to support, manage and exploit their SAP investment once the initial implementation has gone live.

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Information from the usual 'authorities' is scarce, inconsistent and vague

Offering little practical advice to businesses.

- SAP themselves offer only limited expertise in this area
- The large analysts periodically release anecdotal benchmarking data and high level recommendations
- And of course, the large SIs and outsourcing firms offer advice that tends to be a means to their own end of selling IT services.

What is an SAP Centre of Excellence?

One of the first questions to ask when implementing a Centre of Excellence is:

What do we mean by CoE ?

SAP have used three different terms over the past three decades, creating some confusion and potentially affecting the clarity required for senior executives to buy-in to their CoE vision.



Ultimately, the name we choose to describe a CoE is much less important than the name you choose for your own.

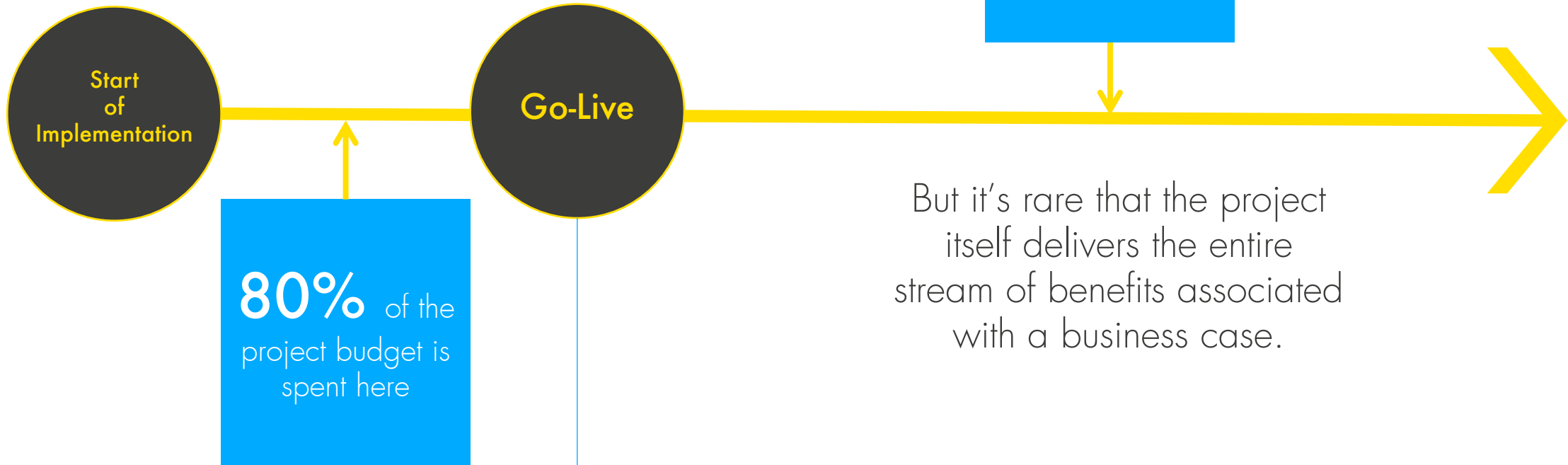
Most successful CoEs have their own **identity** and **branding** – making them places people want to work.

But the second and much more important question to ask is

Why do we need a CoE ?

Unless your organisation has a clear idea of the outcomes you are hoping to achieve by investing in a SAP CoE, you should probably *stop and consider your strategy.*

Most SAP implementations and follow on projects will have gone through some form of business case to secure funding.



Who's left holding the baby when the project winds down?

Mistake Number 1
Focussing on IT
support and
completely
missing the point

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In almost every conversation we've had with clients over the past decade, there's been one constant – the belief that their SAP CoE is an **IT support function**.

All of these clients have been both right and **completely wrong**.

Of course IT support is an **important capability** you'll require once your SAP system is live, but it isn't the only capability required.

A mature SAP CoE must focus on both support and delivery across both the IT and the business.

The Resulting SAP CoE Accelerator describes 27 functions in detail that mature SAP Centres of Excellence exhibit.



2 examples of non IT Support CoE capabilities



SAP Security & Authorisations

Largely an IT support function but it has a business support connotation too – segregation of duties and risk management.

Plus, there's a commercial impact – well-run security functions drive more effective licence management – reducing licence costs or improving compliance.

Business Process Ownership

A recurring feature of high performing, SAP Centres of Excellence. Process ownership creates focus for the business and IT – across both support and change activity.

It is the single strand that stitches CoE activity together so that it supports business benefit realisation.

The belief that the CoE = IT Support causes most organisations to head down a track that can have a catastrophic effect on the benefits they realise from their SAP investment.

CoE \neq IT Support

Mistake Number 2

Focusing on
staffing and
not strategic
resourcing



We've worked with **over fifty** SAP customers to help build, transform or improve their SAP CoE.

Most of them created their CoE out of necessity – they were forced to staff their organisation from available resources at the end of an implementation project.

So, how do you best think about staffing a SAP Centre of Excellence?



SAP Consultants are unusual in a number of ways...

**A**

The majority of SAP consultants are **not typical IT people**

They could just as easily come from a business background as a technical background. Many SAP Finance consultants for example are ex-accountants who have chosen SAP as a career.

It is unlikely that you will have the right type and number of people available in your business to provide a breeding ground for your own in-house capability.

SAP Consultants are unusual in a number of ways...

B

SAP has a very
steep learning curve

Making it difficult for internal (legacy systems skilled) staff to quickly build sufficient knowledge to be self-sufficient during a single implementation project.

SAP Consultants are unusual in a number of ways...



SAP functional skills are
not easily compressible

It is rare to find consultants who have deep knowledge in multiple modules. For the more complex industry solutions, consultants may even specialise in part of a module.

So SAP CoEs tend to be larger than anticipated and headcount budgets come under greater scrutiny – especially given D...

SAP Consultants are unusual in a number of ways...

D SAP consultants are
expensive

Despite the economy, demand for good SAP skills has always been buoyant. This means that salaries, contract rates and SI/outsourcing rates remain high.

And, with an aging workforce alongside a re-platform of SAP solutions, this isn't going to get any better.

SAP Consultants are unusual in a number of ways...

E

SAP consultants are
difficult to retain

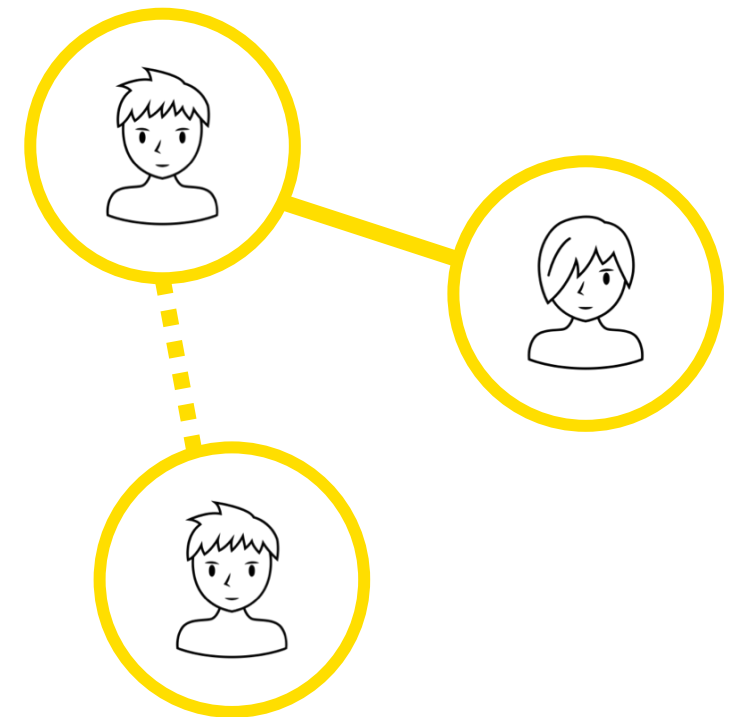
Because the market is strong, consultants tend to have a choice of jobs. It is not unusual for an in-house junior SAP consultant who has worked on an implementation project to leave and command double the salary after just one successful SAP project.

Retention (and attrition) strategies are therefore important – in order to assure the retention of knowledge, you must plan for attrition.

With this backdrop, simply rolling with the resource profile at the end of a programme **is not a strategy**

By far the most significant aspect of building and running a SAP CoE is creating the right resource strategy. Working out which skills to 'buy' vs. 'build' and over what time frame.

How do you estimate with confidence the number of people with each skill are required – and which skills of those skills should be part of a core retained team vs. flexible capacity?



How will you decide how best to source the various capabilities required to achieve the right **cost/performance mix**?

Do you recruit, outsource, tactically resource with contractors, or employ a number of partners in parallel to create healthy tension?

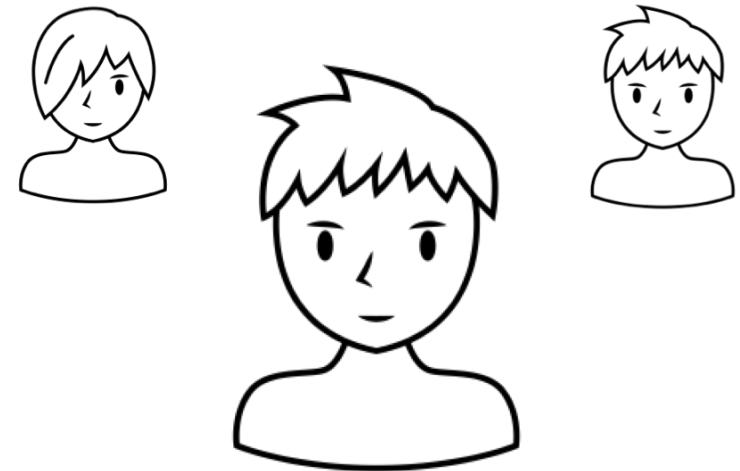
Simply estimating the number of people required with a degree of confidence, taking into account your likely support profile and demand for change, is a useful start point.

If you don't have this base-lined and agreed, everything else is built on hallucinated foundations.



And, unless you really understand in some detail the skills involved, you really ought to **take counsel from people who do.**

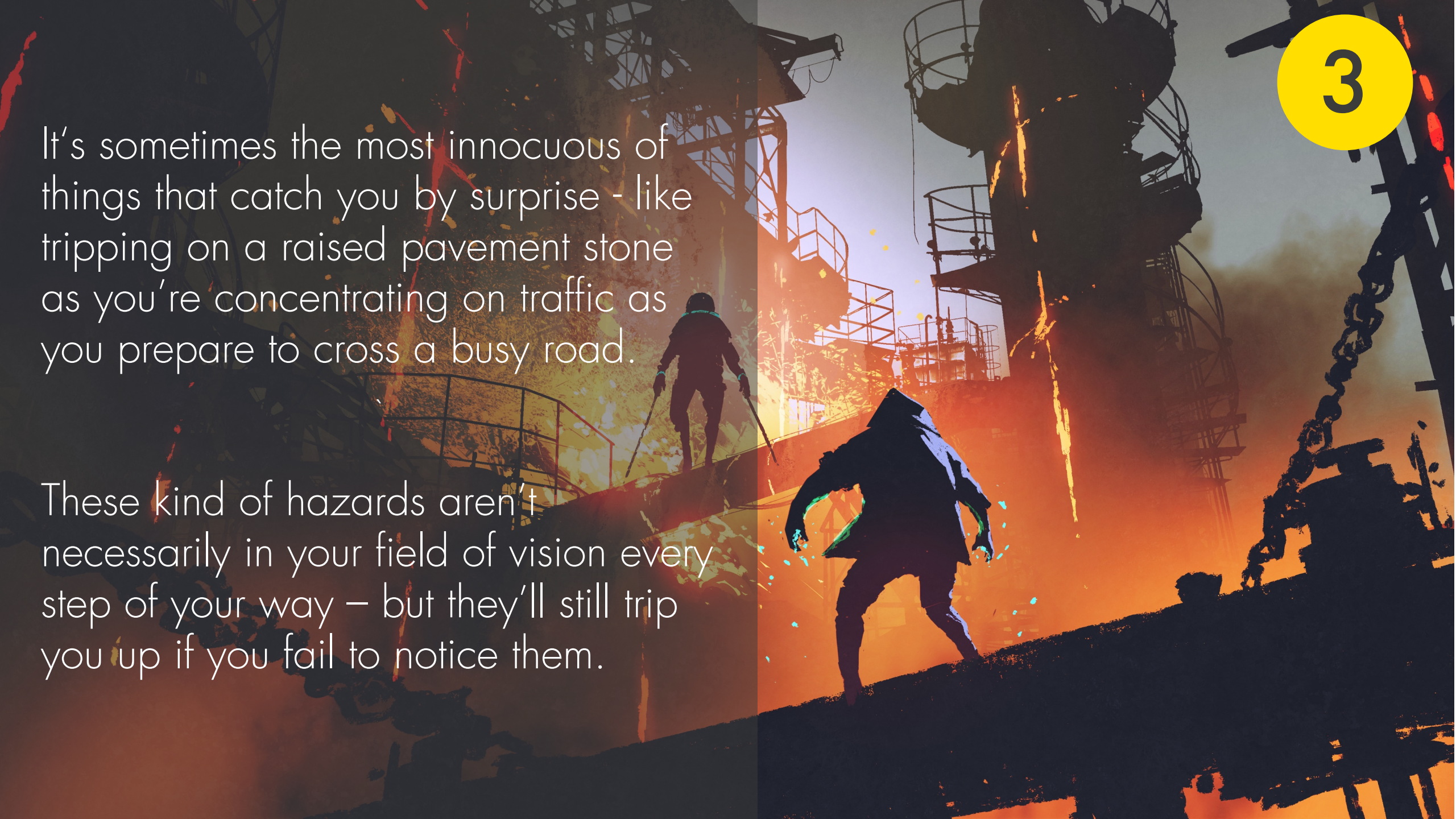
Spend time finding out as much as possible about SAP terminology, how certain modules interact and what kind of people might be able to span from one skill to the next.



Mistake Number 3

Not realising that
change & release
management is
fundamental to
your investment
in SAP



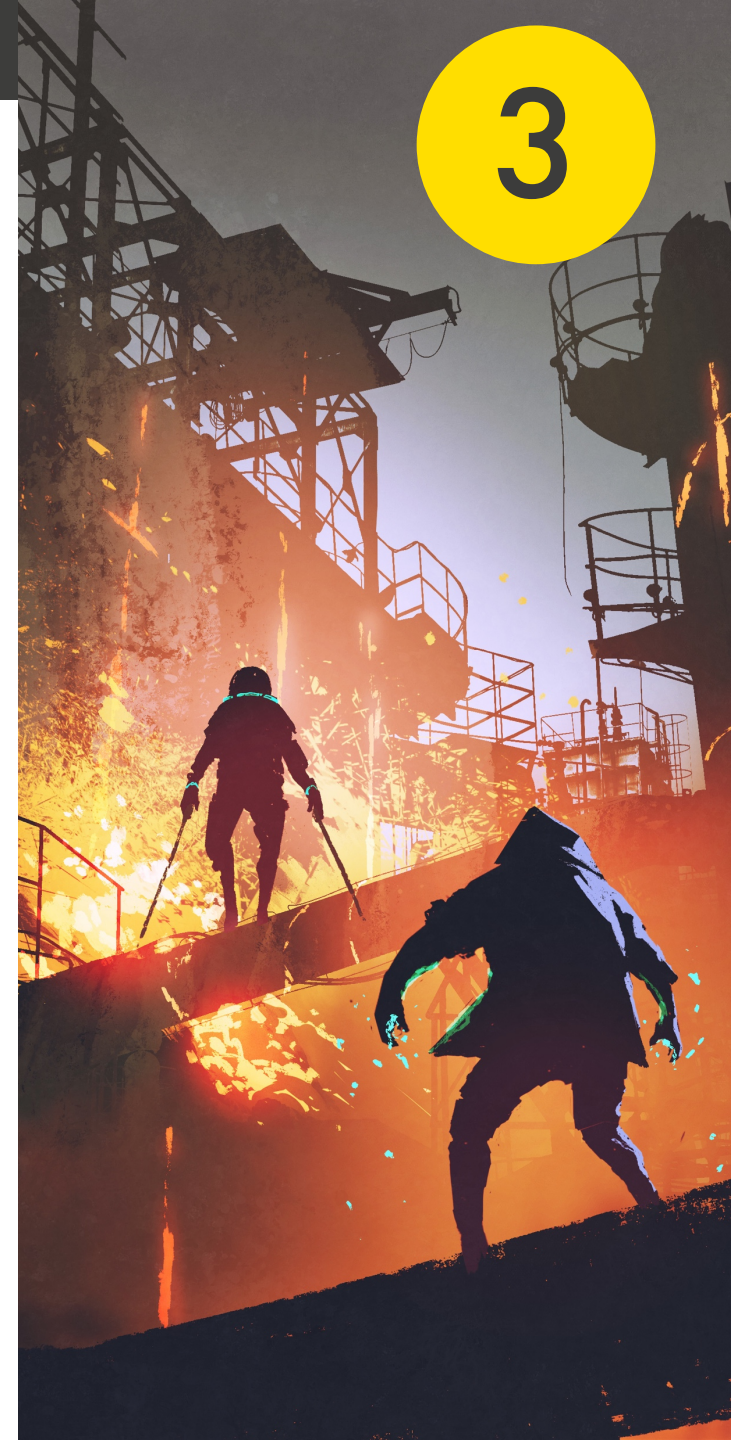


It's sometimes the most innocuous of things that catch you by surprise - like tripping on a raised pavement stone as you're concentrating on traffic as you prepare to cross a busy road.

These kind of hazards aren't necessarily in your field of vision every step of your way – but they'll still trip you up if you fail to notice them.

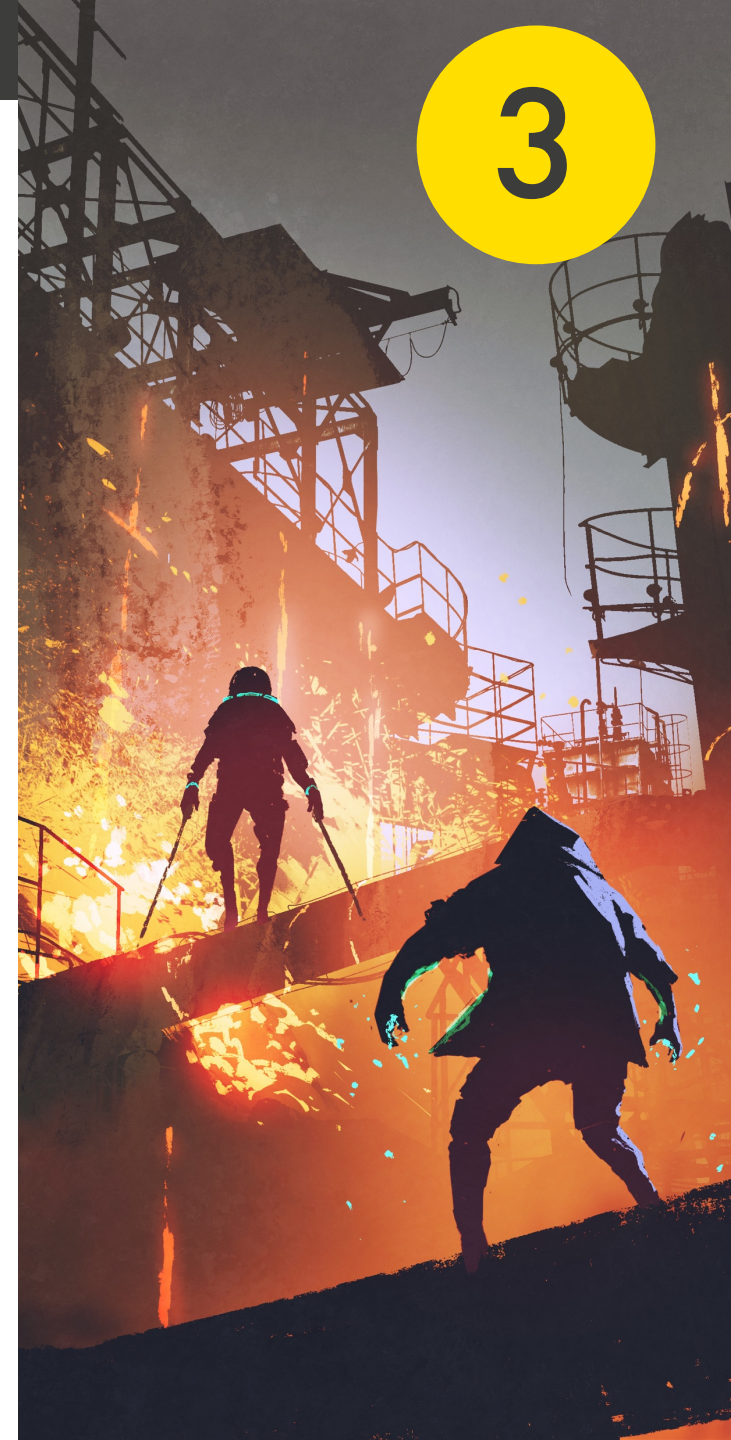
We use this analogy when discussing change and release management for SAP.

It's one of the most fundamental aspects of running an SAP system, and if it isn't given sufficient attention, **will definitely trip you up.**

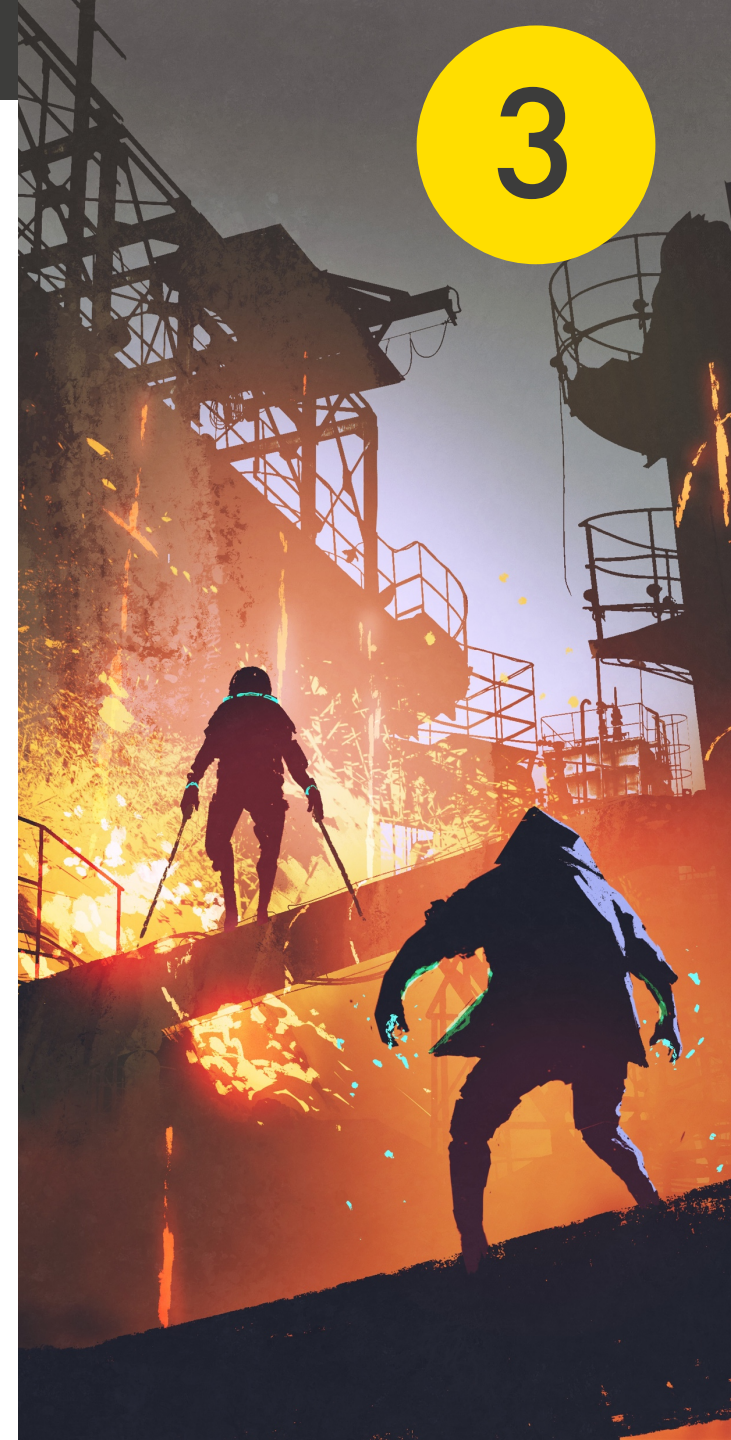


The crux of the **complexity** lies in the way SAP handles configuration and code changes – its internal ‘transport and correction’ system.

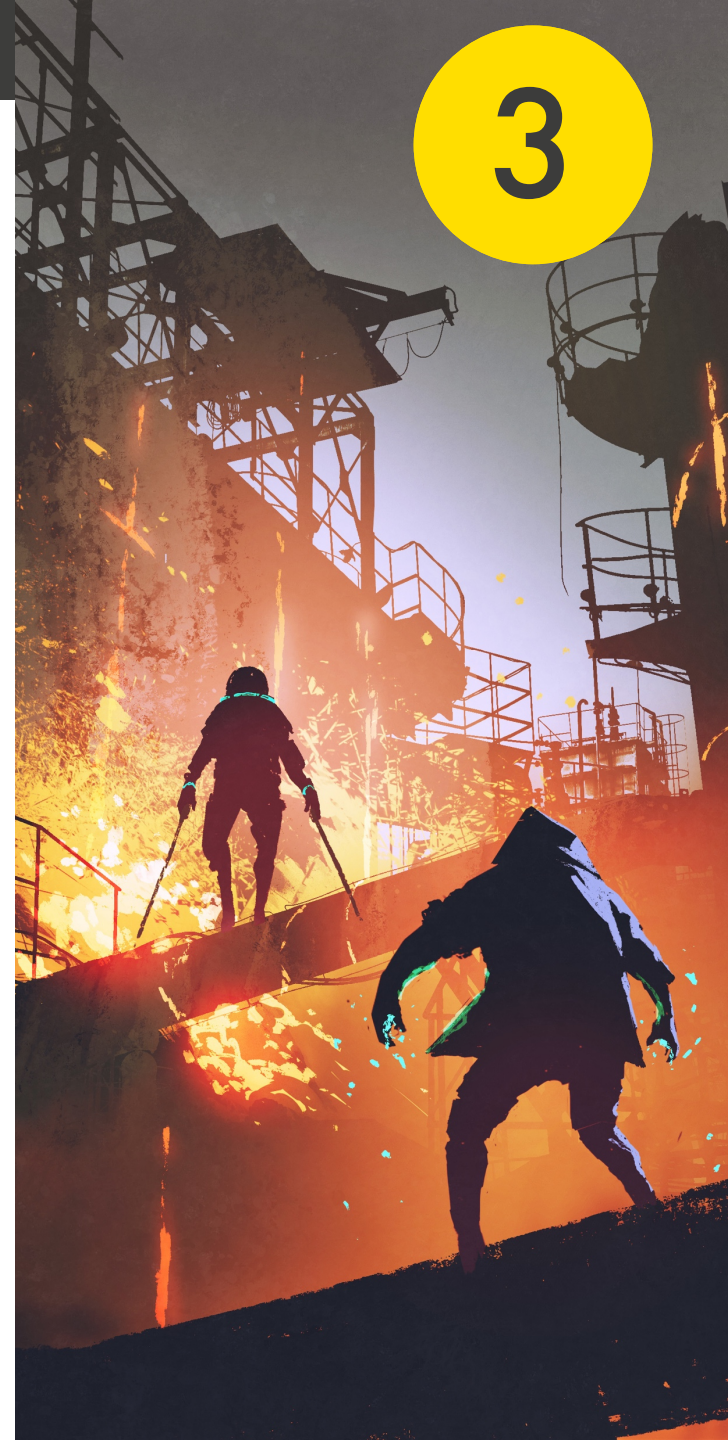
Because every development change is ‘wrapped’ up in a transport, it can easily be moved from test to production with the **confidence** that you are moving an isolated change.

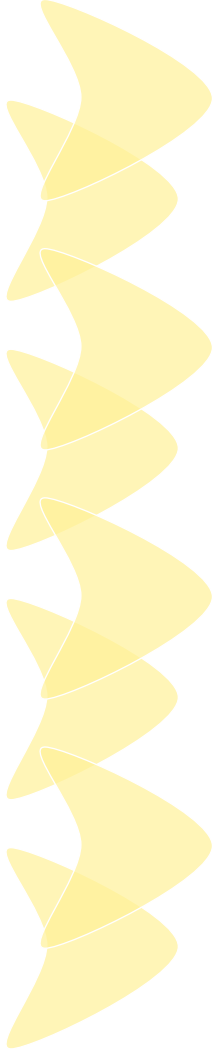


Moving individual SAP transports is straightforward.



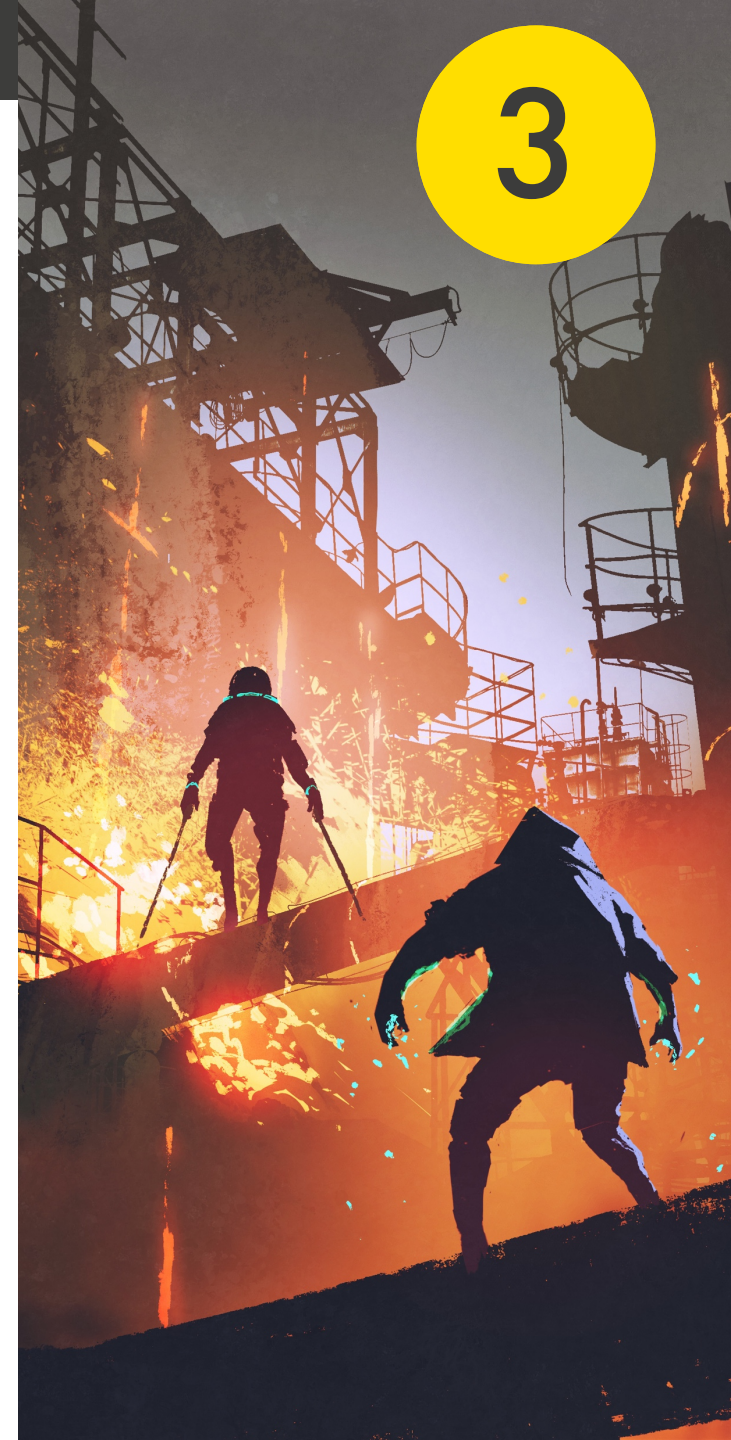
But managing **multiple, complex, inter-related transports** requires careful management.






The challenge tends to be straightforward during a large project – **until the point of go-live** – when suddenly there are multiple environments to manage concurrently.

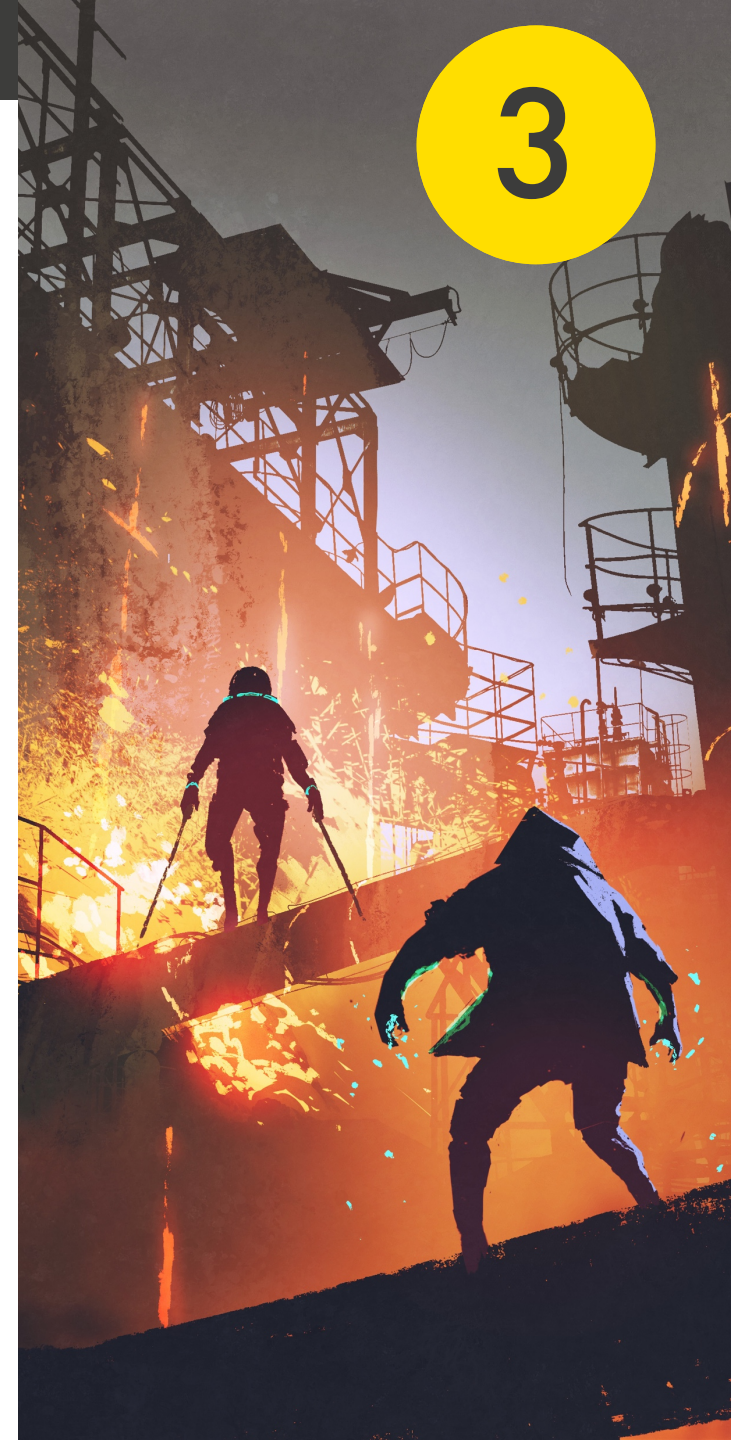

So called ‘parallel development’ of SAP systems is **notoriously difficult**, with different versions of the same code and configuration moving through the landscape on different timelines.



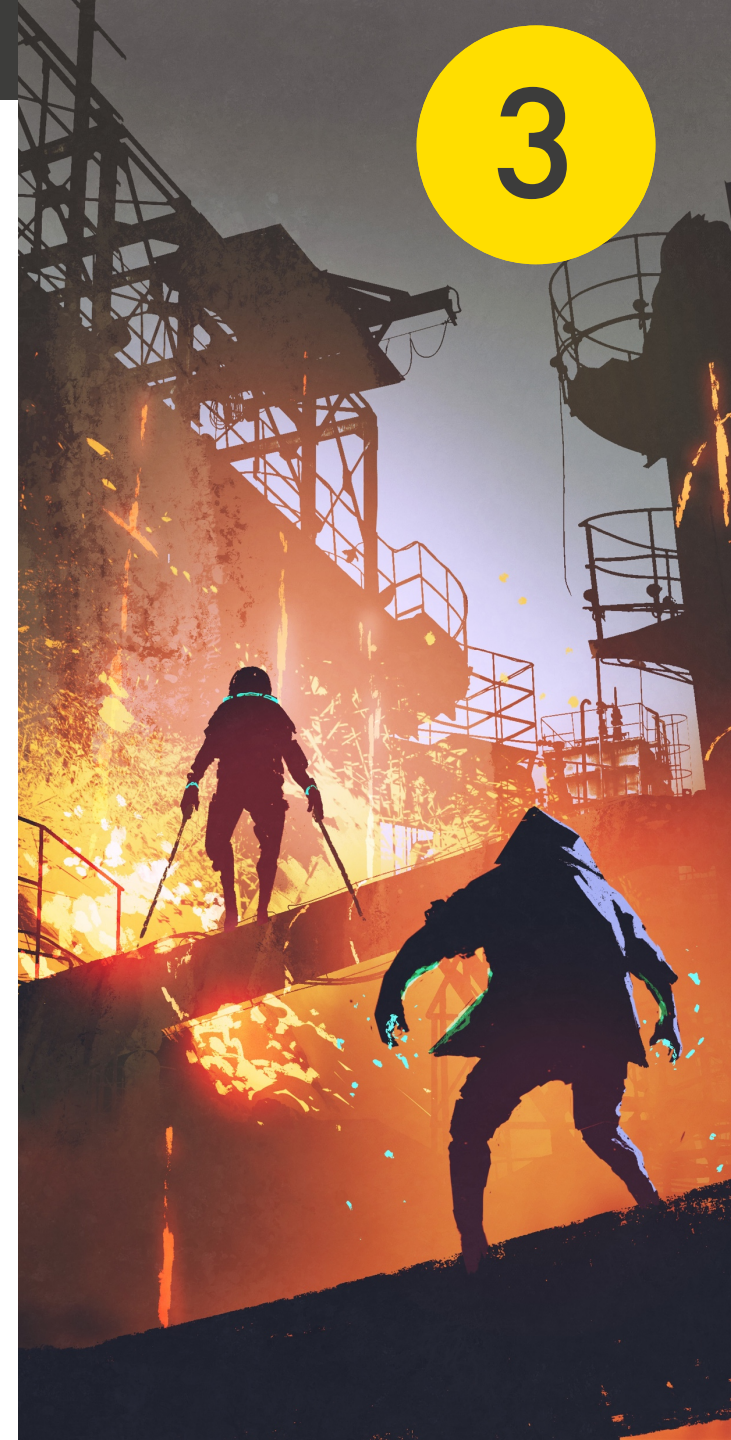


There may, for example, be a production support environment for urgent changes, a main project environment for the next release and, in some instances, a second project environment for future projects, which cannot be developed in the main project environment.

If this process is not planned and controlled, it can result in crippling **change freezes** leading to delayed **projects**, **costly development** through inefficiencies or rework and even **regression issues** that introduce old errors back into the production system.



Getting the change and release management process right might seem like a **minor detail** but it has an enormous knock on effect in terms of SAP performance – and **delivering your business case**.



Mistake Number 4

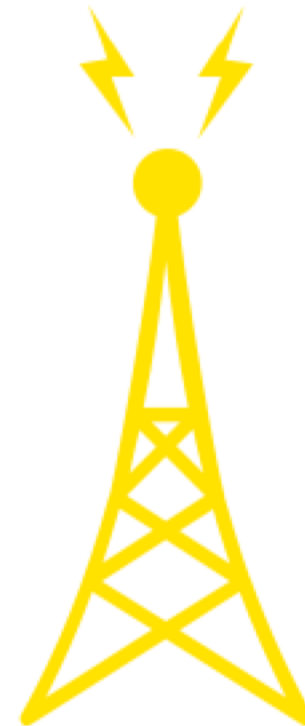
Describing
service with SLAs
rather than a
scope catalogue



In 2002 we worked on a SAP CoE project for a very large teleco provider.

They'd been through 5 interim SAP Customer Competency Centre Managers in the previous 12 months – each tasked with setting up their SAP CCC.

We were brought-in 6 weeks before go-live by the Systems Integrator who was concerned about the detrimental impact on their reputation should the system be allowed to go-live with no BAU support capability in place.



Luckily, our five predecessors had managed to produce a **Service Level Agreement**.

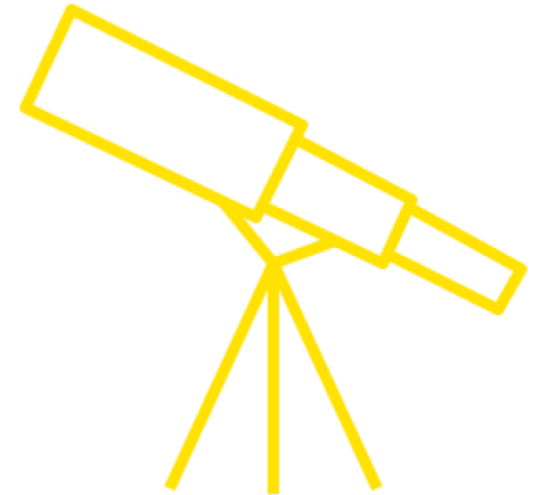
In fact, the SLA had been all they had produced during 12 months of planning.

This approach is a **recurring theme** we hear when working with customers who are building an SAP CoE - because a Service Level Agreement is meant to describe how the CoE performs.



But an SLA doesn't drive out the **clarity** required to define a Centre of Excellence

And, more importantly, to resource a Centre of Excellence with either people or managed services from vendors to deliver to a defined **scope**.



A more practical approach is to define the **capabilities** the CoE will deliver and then detail the **scope of service** that each capability will perform.

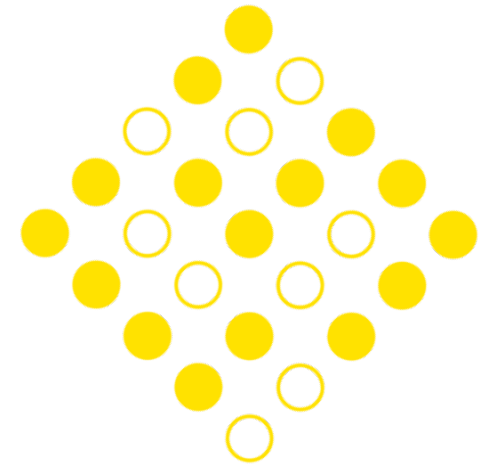
Doing this thoroughly enables **activities to be planned** so that the responsibilities of different parties can be described in detail.



The upshot of this analysis is a proper **Scope of Service Catalogue** – a definitive document that describes what needs to be delivered by whom.

This is a **blueprint for your CoE** – whether you're staffing in-house, outsourcing, off-shoring or simply amending existing vendor contracts.

The Service Catalogue is a piece of analysis that enables your to source and resource. The SLA describes how you will ensure that each sourced service **performs** to a known standard.





Building an SAP CoE using an SLA is like building a house using building regulations rather than employing an architect to design it for you.

Mistake Number 5

Not relying
on people
who've done
it before

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- 2
- 3
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There's no substitute for **experience**.

To create an SAP CoE, you need to rely on people who have real experience of running or building a Centre of Excellence in the past.

Most SAP people tend to work on large implementation projects, staying involved until the system is stable and then **rolling on** to their next exciting implementation.

Because they enjoy the cut and thrust of an implementation, the ability to acquire the latest technical skills and, of course, the most lucrative salaries or rates, **implementations** are the obvious light to swarm around.

And, because many of the disciplines required to run SAP in 'post go-live mode' are very different from 'implementation project mode' – **making the switch** isn't a straightforward transition.

As a result, a much smaller community of experienced SAP consultants concern themselves with the **intricacies** of building and running SAP CoEs.

Another misconception is the belief that 'our internal IT team can learn to do this'.

This is probably one of the most dangerous beliefs you can choose to adopt when building an SAP Centre of Excellence.



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