Industrialization of the SAP development through innovative standard software solutions

Escaping the Cost Trap

Due to the unexpectedly strong recovery after the worst recession in postwar history CIOs are facing particular challenges. It is important to create the quadrature of the circle : reduce costs, meet more stringent compliance requirements and at the same time to accomplish the new business requirements as part of the expansion into new markets.

By Malte Klassen, Founder and CEO of Galileo Group

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SAP services are booming - but the effects are often lagging behind the planned objectives. Investigations of Pierre Audoin Consultants (PAC) say that the market for SAP services should be grown by 7.7 percent in 2011. The aim of this increased investment is to reduce costs and to make the SAP infrastructures more flexible. The dilemma: The increasing expenditures for SAP services are not leading to the desired extent in productivity gains. Scientific studies, such as those of the Berlin School of Economics, or those of the FH Hagenberg, assume that the management overhead for SAP maintenance and operation is between 20 and 40 percent. Due to the high complexity of business critical applications it's quite likely that in the SAP area higher values will apply.
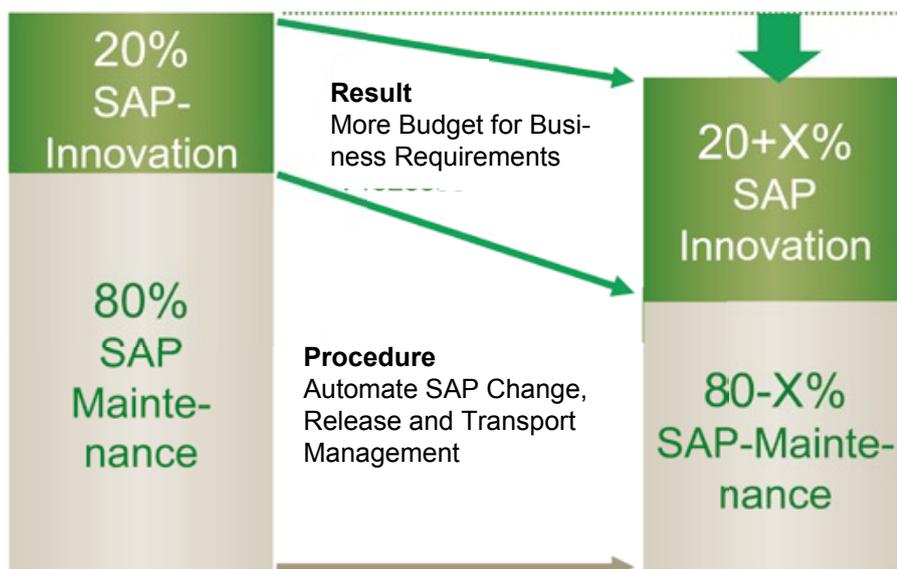
No wonder that according to PAC nearly three-quarters of the expenditure are attributable to SAP Consulting & Systems Integration and SAP Application Management but only 28 percent to SAP Hosting. One of the main levers to bring investment and productivity growth in line, is therefore often seen in the industrialization of SAP development. Specifically, in the automation of change, release and transport management in an integrated production line with leveled line balancing, as it is the case at automotive production according to the principle of the Toyota Production System. In effect, this means despite of shrinking budgets more free space for investments to implement business requirements: According to Gartner's studies 80 percent in maintenance

and only 20 per cent are traditionally invested in innovation.

Risk Case Compliance Costs

According to a study by the Ponemon Institute, the average cost of compliance violations, with 6.9 million euros (based on 160 companies in 46 countries) are twice as high as the cost of meeting compliance regulations such as Sarbanes Oxley . Not only for SAP Financial and Management Accounting a by design audit-proof - usage of the IT processes plays a mission-critical role to meet the compliance requirements.
It is often forgotten that this does not apply only to quality gates and QA approval processes, but also to the SAP devel-

Result
More Budget for Business Requirements

Procedure
Automate SAP Change, Release and Transport Management

High Ratio by SAP-Industrialisation.

A modern CR & T's management allows:
▪ implementation of customized , automated processes for SAP Change Management, Release Management and Transport Management
▪ automated integration of SAP test tools within IT workflows
▪ audit-proof archiving of Change Requests and Releases
▪ automation of transport administration, and execution
▪ integration with enterprise-wide change management and help desk systems
▪ comprehensive reporting
▪ bidirectional process integration with enterprise-wide change management and ticket / helpdesk systems by means of a powerful APIs.

opment processes:

If SAP development, test and release processes to implement statutory requirements in international accounting are not adequately represented, this may lead to claims for damages, for example, if consolidated financial statements of listed companies are thereby contain errors. In view of the high risk it is a surprise that the SAP related IT processes and development workflows normally do not run automated.

On estimate of the Galileo Group, a company specializing in SAP IT industrialization, less than ten percent of the companies run fully automated, compliance and auditable IT workflow regarding SAP change, release and transport management process (CR&T management) like this is standard since the 1990s in non-SAP area and has become widely accepted as such. The most common weaknesses are in particular at the interface between user requests (change requirements from the incident-system that in release -oriented development are bundled to larger units) and physical transports / SAP deployments. The latter is SAP updates, ABAP programs or customizing items that need to be transported in a single stage or parallelized process from the SAP development system to the SAP test system and finally into the SAP production system.

According to Galileo's experience the IT workflows often are still represented by Excel lists or manually created emails. Another high business risk is the so-called overtakers topic. So there are cases where SAP systems were shut down because a bug fix had outdated a regular SAP Change Request. When the regular change was imported weeks later, the developers did not remember the bug fix on the touched objects. A fatal error that can cause high damage. Automated Poka-Yoke systems such as those of the Toyota Production System methodology help with a corresponding error prevention.
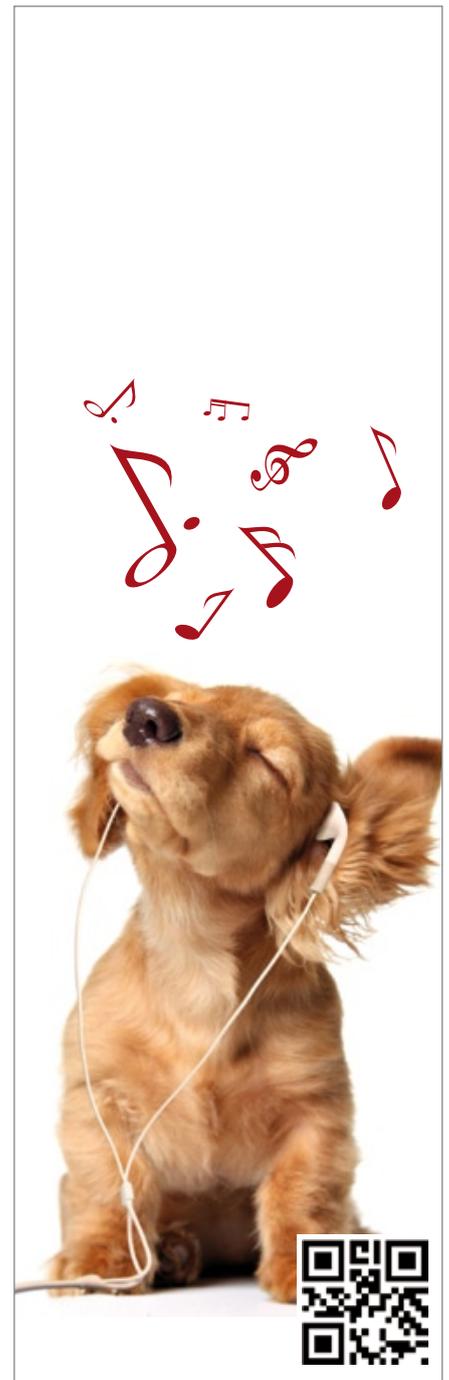
CR&T management productivity tools such as those who have arrived from around 2005 as the standard software on the market, form an essential cornerstone to meet the increasing compliance requirements as SarbOx while increasing the budget share for new business requirements. Legacy systems relying on Excel / Email or individual solutions based on frameworks such as the Solution Manager thereby form no real alternative. Their maintenance or creation often cost several hundred thousand euros - with a high risk if these individual developments really represent auditable workflow.

That means these overtaker problems are avoided by design if companies use modern SAP CR&T management systems. Modern CR&T management systems are integrating transparently Change / Incident Management Helpdesk and SAP development (for all technologies) and other development-related tools & repositories. The demands on modern CR&T management systems are:

▪ Zero - defect goal : elimination of logically incomplete change requests (incomplete / unfinished / untested SAP transports) by design

▪ No unplanned downtime any more: The unplanned, caused by SAP downtimes are reduced to zero.

▪ Audit and Compliance: reduction of over 80 percent of the compliance - related reporting in expenditure.

▪ Reduction of overhead expenses in development: The effort should be reduced due to the degree of automation around 30 percent, partly due to reduced post- work, improved communications and automated progress tracking, par-allelization of software development and test.

▪ Significant increase in customer satisfaction: The goal is 100 percent SLA compliance.

▪ Transparent integration without media breaks.

▪ 100% ITIL V3 compliance: The SAP CR&T management is an essential part of service support processes at the interface to service delivery.

Malte Klassen, CEO and Founder of Galileo Group AG worked for international SAP projects in Western and Eastern Europe as well as South America and Middle East at a DAX company. In 1998 he set up the Galileo Group ith the business units Software and Consulting. As CEO of Galileo, he was significantly involved in development of the Conigma Suite, a leading standard software for SAP Change, Release and Transport-ation Management. The Conigma Suite is used by international companies in Europe, South and North America as well as Asia to automate IT processes around SAP development and ensure audit compliance.

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