

Optimise your SAP support Application Management Services for SAP



Why SAP Application Management Services?

We have all seen the scenario before. Your team is running three shifts developing modules to make implementation deadlines; diverting attention to the future-state operating model is the farthest thing from your mind. While the heads-down mentality is often crucial for deployment success, it can have equally negative impacts on long-term enterprise resource planning (ERP) value. This lack of attention can eventually lead to eleventh-hour decision making for future state operations. No big deal, you say? Think again. Hurried decisions on support team makeup and model, support processes outsourcing partner, operational metrics and continuous improvement models often have lingering effects.

Meeting resource supply and demand

Attracting and retaining the talent required for ERP is a challenge. Additionally, the demand for ERP support talent is not static – it is constantly changing with the peaks and valleys of business demand. Adjusting the size and composition of the support team on the fly can present a unique challenge for organizations. Without proper analysis and strategic sourcing, talent management can become increasingly expensive and have direct impact on solution quality, agility and return on investment (ROI).

Managing execution risk and cost

Many businesses today spend too much of their IT budgets on maintenance and support for ERP applications. With ERP platforms becoming more and more complex, having the right talent, the right industrialized tools and the right controls is increasingly critical to managing risk and controlling cost. To achieve this, organizations need ERP-specific expertise, robust operating methods and tools that seamlessly enable work across a global team environment.

Staying ahead of the curve

Forward-thinking organizations have shifted their ERP “run” focus to continuous value generation – addressing descope requirements, delivering prioritized enhancements and tightly aligning with the business. This variety of objectives requires a practical alternative to maintain cost effectiveness – a way to get the right amount of product insight and business expertise to continue to realize value from package applications. Organizations are relying on external relationships and resources to help deliver continuous package improvements, stay ahead of changes in the business and bring long-term cost reduction.

How we can help

When it comes to ERP management and support, every company has unique needs. We are experienced in tailoring solutions specific to our client’s situation – developing a service delivery structure, augmenting internal support staff, providing on-site application maintenance or creating a remote on-shore or global delivery model to manage costs and improve service levels. Because we align our resources with your core ERP strategy, we can deliver the cost reduction, risk mitigation and return on investment you expected in the first place

Deloitte recognizes four models for the support of SAP applications. The selection of the right model is based on various factors like customer readiness, application stability and business criticality.

The first model is the **Staff Augmentation Model**. In this model, your company chooses to keep full control over its support. In this scenario, Deloitte delivers ad hoc resources towards specific areas in your company that are facing peaks in workload as a result of migration, upgrades or other project support.

In the **Co-Sourcing Model**, the responsibility for the quality and deliverables is shared between your company and Deloitte. In this model, your company makes greater use of the expertise of Deloitte in the support of the SAP systems. More savings can be realised as a consequence of the economies of scale of the Deloitte support organisation.

In the **Managed Service Model**, your company chooses for an effective outsourcing of your support. Typically in this situation, the service is guaranteed through Service Level Agreements. The focus of this model is based on a reduction of the cost of the SAP support.

The **Value Level Management model** is the most extensive form of outsourcing your SAP support. The focus in this model is mainly on creating value for the customer. In this model, Deloitte creates effective value based on its experience and expertise by proposing improvements in the business processes

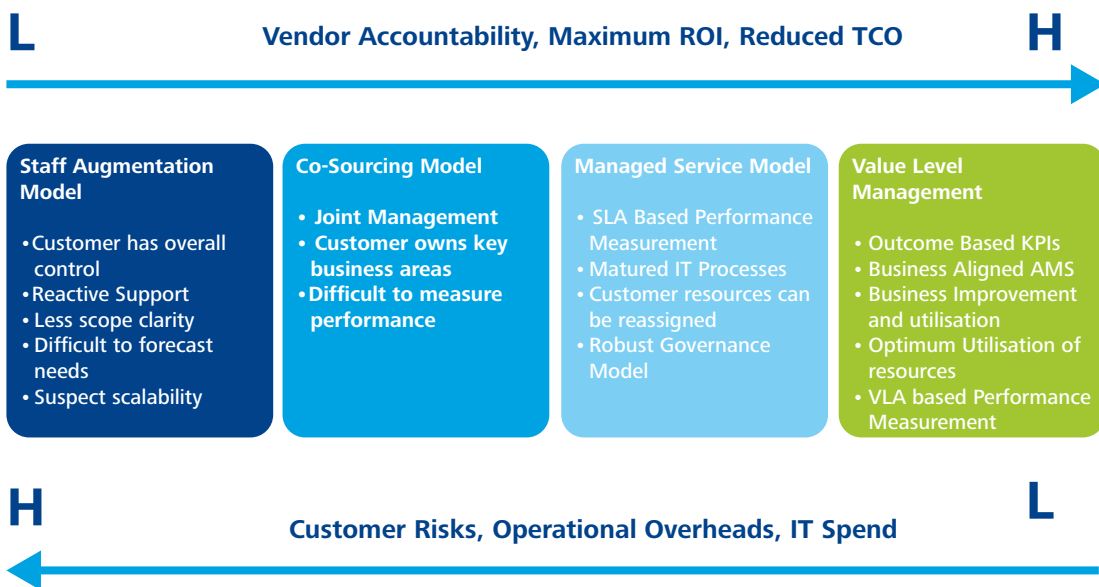


Figure 1: Multiple engagement models

Three ways to get more value

“After its implementation, your SAP application needs to be maintained and optimized in an efficient way”

Start with an overall support strategy, and start early. The earlier you start planning your end-game support model, the more cost effective your ERP investment will be. Effective support models are an integral part of solution design, in addition to the synergies that can be brought to the table when implementation and support teams are tightly integrated throughout “design-build-run.”

Instill a command center mentality. During deployment you wouldn't expect anything but full transparency, tight coordination and effective communication on execution – why would that change during operations? Foster a mentality of openness and cross-team communication to continuously improve support.

Define value. It sounds simple, but it often goes undone. Raise the bar and overcome the temptation to set simple tactical SLAs for support. Insert business-leading service level objectives to generate more value from the service delivery organization.

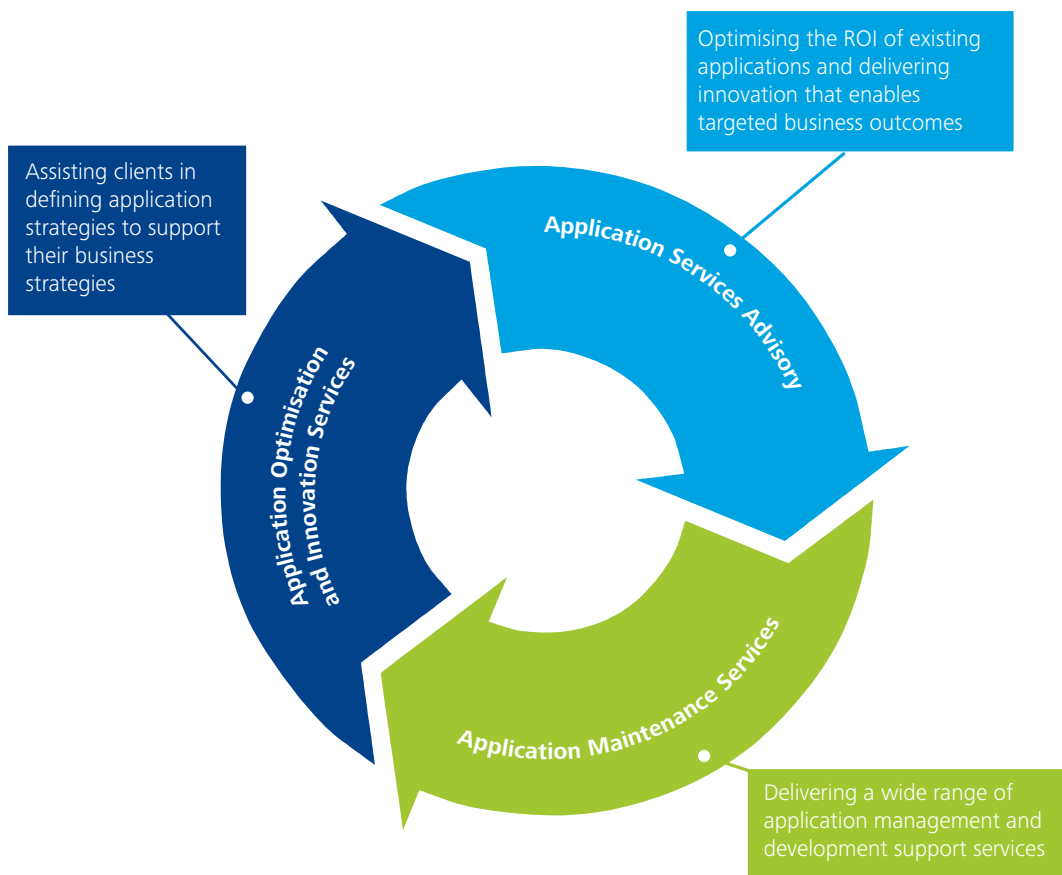


Figure 2: AMS services

Our approach for implementing a support organization

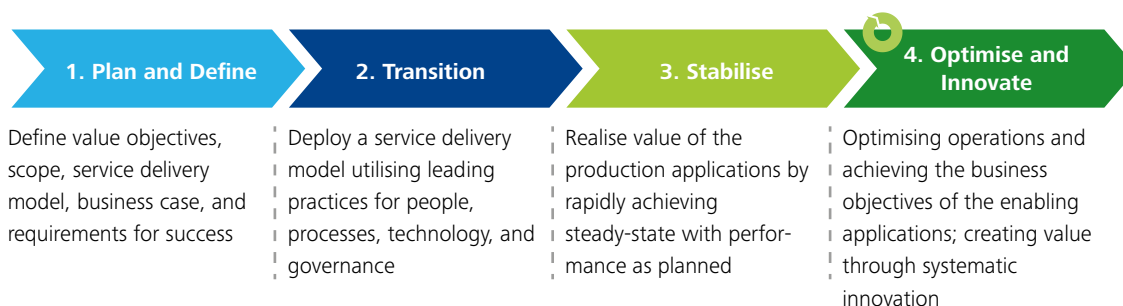
“Deloitte Enterprise Value Delivery method provides a clear roadmap to define and implement your support organization”

Deloitte has defined a clear and detailed approach based on its enterprise value delivery (EVD) method to implement a support organization in the most effective way.

EVD is a single, comprehensive implementation method that presents a collection of deliverables (templates, samples) and accelerators organised by discipline and sub discipline.

The disciplines of application management are implemented in three phases and then continuous, an iterative value generation occurs in the fourth phase. Per phase, there are different disciplines that need to be covered during the implementation of the support organisation.

For every phase and per discipline, Deloitte has a standard approach and toolset to ensure that the support organisation will be implemented as a best practice in a fast and efficient way.



Discipline	Definition
IT Service Management	Focuses on executing and optimising the governance, processes, organisation and technology needed for world-class application management.
Value	Prioritises and quantifies business value improvements, including establishing KPI's, planning and executing improvements, and measuring results.
Organization Change Management	Addresses adoption and sustainability of the change initiatives. It encompasses an integrated approach to communications, stakeholder engagement and preparation, training, and organisational alignment and transition.
Technology	Defines the approach to operate the infrastructure and technical components-required applications.
Project Management	Approaches and assets for effective project management and planning.
Quality Management	Defines tasks to plan and monitor quality, control and confirm work products, and assess processes and standards.

Figure 3: EVD for AMS phases and disciplines

Local, nearshore, offshore or a combination?

“The right mix of resources is the key of an efficient support”

Deloitte’s ability to access a wide pool of skilled resources, supports and enables your company to focus its IT business analysts on strategic value added activities such as building and retaining the process and business knowledge, working with the business on value added

change requests and projects and leading these larger complex projects to successful implementation. Deloitte can fill skill gaps where your company requires periodic expertise or is unable to employ or retain a rare technical skill.



Figure 4: Application management delivery centres

Global Delivery Network	Service / Technologies	People	Value Management
<ul style="list-style-type: none"> • 4,500 AMS practitioners in the Americas and over 15,000 worldwide • A globally standard COE methodology, tools and accelerators • CMMI 5-India, CMMI 3-US, SSAE 16/ ISAE3402 and ISO 20000-1 Certified 	<ul style="list-style-type: none"> • 20+ year history in providing full life cycle Application Management Services • SAP, Oracle, Microsoft, Java, Business Analytics, Enterprise Data Management, Custom Development, Middleware 	<ul style="list-style-type: none"> • A deep pool of resources, spanning technical, functional, and industry domain expertise • Lowest attrition rates in business • Rated as employer of choice • Globally standard career path 	<ul style="list-style-type: none"> • Framework and method for benchmarking and performance management (Business and Technical) • Tying performance and accountability to objectives and business outcomes



Conclusion

“Outsourcing your SAP support can reduce your cost up to 40%”



Cost and efficiency

- Delivering better service at reduced maintenance costs. AMS gives your company time for project work and ensures continuity in the long term, while the service is guaranteed by a close monitoring of SLAs.
- Leveraging economies of scale by using global delivery networks and cost-advantaged labour pools to drive down cost of operations.
- Benefiting from the efficiency of out-of-box tools and global standard methods that facilitate distribution of work, streamline hand-offs, and promote reuse and automation.



Resource optimisation

- Managing the ebbs and flows of capacity by providing access to the shared resource pools. These pools can quickly level up and down as required by business events and client needs.
- Continuously improving the competency of the specialty area for all resources and managing the ability to inject expertise at the right levels.
- Providing local staff supported by nearshore support consultants. In this way, Deloitte combines the favourable rates, scalability and unique technical skills of our delivery centers with industry focus and customer orientation of our local consulting departments.



Quality and risk management

- Using industry best practices, Standard Operating Procedures with manuals, service delivery tools and ITIL-based workflows.
- Leveraging in-depth partnerships and alliances with leading vendors, providing our team with access to application engineering shops.
- Our proven approach for performing transitions to a dedicated support organisation ensures maximising the transfer of knowledge, while the risk is minimised.



Agility and innovation

- Embedding best practices in the core of how we operate and leveraging metrics and performance management to make smart decisions on enhancement prioritisation and rationalisation.
- Using a globally integrated collaboration network providing the collective knowledge of the broader firm, expediting the usage of best practices and innovative ideas to address strategic opportunities.

The team

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