Symmetry

White Paper

Seperating the Technical from the Functional:

The Business Case Against Single-Sourcing Your SAP Implementation

On the surface, the idea of using a single source integrator to implement SAP's Enterprise Resource Planning (ERP) software seems ideal. The appeal lies in the potential to make an incredibly complex project appear simple. The single source model promises the ease of having only one vendor to pay, only one team to work with and a single source of accountability should things go wrong. Yet what works in theory doesn't always bear out in real world applications.

Despite years of well-defined best practices and endless "lessons learned" forums, ERP implementations continue to be botched, mis-handled and derailed. The impact of a troubled or failed SAP implementation goes well beyond an application not being available on schedule. A poorly implemented SAP system becomes an ongoing operations nightmare with unplanned outages, nagging performance issues and daily errors that affect nearly every aspect of the business. The total cost to the organization, including rework, maintenance and lost opportunity, is staggering. Unfortunately, failed or severely troubled implementations are more common than most people realize. Gag orders issued as part of legal settlements hide their true numbers while corporate embarrassment takes care of much of the rest.

With deep integration into every aspect of day-to-day business operations, it is critical to ensure that the initial SAP implementation provides both a sound functional and technical base for long-term business operations. There are several reasons why otherwise successful integrators struggle to implement the SAP technical infrastructure properly and fail to set up cost-effective, sustainable operations. This document will examine those reasons, and show why choosing separate providers for technical and functional implementation services offers enterprises a better path to success and faster ROI.

Under-Selling the Project

The average ERP implementation is complex, time consuming, costly and increasingly difficult to sell. With the functional component of an implementation project often lasting years, integrators have a tendency to undersell the implementation in order to move the project forward. Increasingly, integrators are "rolling in" free technical implementation services in order to capture the more lucrative business of license sales and functional work.

Unfortunately, this leads to problems when the project work begins. Integrators are forced to cut corners on the technical implementation by using cheaper, less experienced resources,

and under-scoping technical infrastructure requirements. For example, developing a good virtualization model from the beginning provides significant long-term cost savings but is often overlooked by integrators lacking time and skilled resources. Another common shortcut is in the areas of backup and disaster recovery where integrators frequently set up rudimentary data backups that rarely satisfy the recovery time and recovery point objectives of the organization's DR plan. The long-term repercussions are poorly integrated systems, performance issues and higher costs post-implementation for maintenance and support that could have been avoided.

On paper, best of breed technical specialists cannot compete price-wise with the "free" services offered by single source integrators. However, they have the expertise to understand the complexities of an SAP implementation and can set clear expectations of hardware requirements, implementation timetables, and realistic cost expectations. In the long term this expertise saves the enterprise time, money and frustration.

Single Source Integrators Rarely Focus Beyond the Go-Live Date

For most integrators, projects not only have a start date – they have an end date. The success of the implementation is judged on having the system up and running by the go-live date. For the individual consultants working on the project the goal is to get in and get out. After the initial go-live of the production environment, long term maintenance is usually turned over to an in-house team or yet another consultant. Any issues after this point are quite simply not the integrator's problem. In contrast, focused technical service providers generally have business models built on providing ongoing managed services. Their success is based on the smooth operation of their client's SAP systems.

The fewer issues they have to troubleshoot in the system post-implementation the higher their profitability, especially if the services are provided on a set-fee model. Additionally, since the consultant involved in the implementation is usually responsible for ongoing management of the system, it is in his or her own best interests to ensure that best practices are followed in designing and implementing the technical architecture.

## Single Source Integrators are Business Experts, Not Technical Experts

Ever since the dot-com bubble burst, there has been a focus on technology serving the needs of the business; and rightfully so. Before beginning an SAP ERP implementation, there should be a strong business case for doing so. This is where single-source integrators excel, especially at the management level. Managing partners from large consulting firms rarely come from the technology ranks; they are businesspeople and this often becomes frustratingly evident during the initial project scoping phase.

The technical architecture at the core of any SAP implementation must be developed in strategic alignment with the organization's business requirements. Questions around hardware, databases, operating systems, high availability, disaster recovery strategies, backup strategies and security have major implications for the organization. These decisions affect everything from project timelines and ongoing maintenance costs to return on investment and even governance, risk and compliance issues.

Frustratingly, many organizations are left hanging for months in the sales stage with these critical questions left unanswered. All because the single source integrator doesn't have an internal technical resource to provide the necessary strategic advice and pricing. Instead they are bounced back and forth between SAP account executives and hardware vendors or left unsupported to do their own research. In contrast, a specialist technical firm can fill that void by rapidly providing infrastructure sizing, cost estimates and a technical timeline necessary to make a comprehensive ERP project decision.

Single-Source Integrators Lack a System of Checks and Balances

In the ERP world, oversight in the form of a series of checks and balances has become de rigueur. Today's enterprises wouldn't consider having the person who issues the invoice also be the sole approver of payment. Yet in the single source model, that's exactly what happens when the integrator handling the functional portion of the implementation also approves the technical portion.
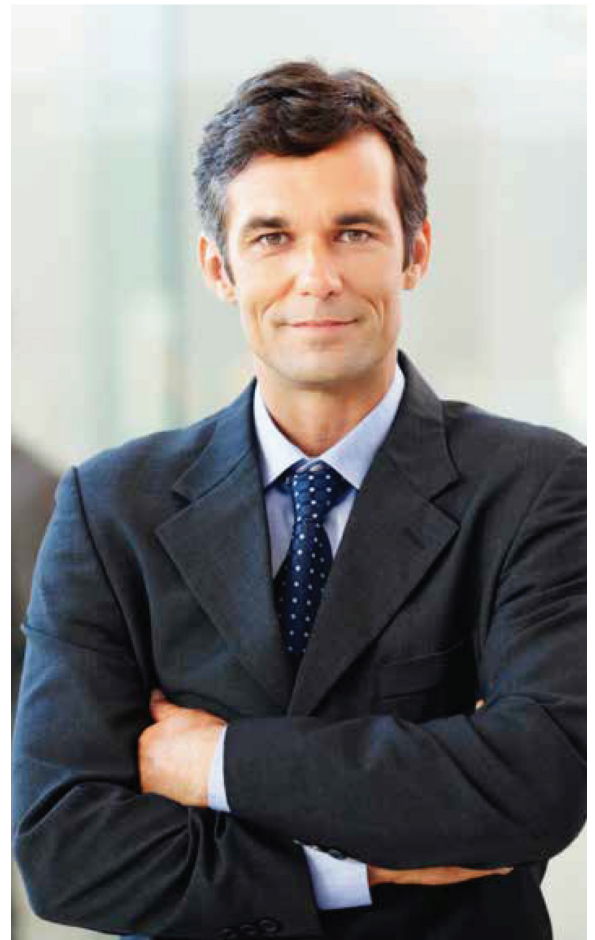
By using a specialist for the technical implementation, the enterprise automatically creates a set of checks and balances. If there is an issue with the functional implementation, the organization performing the technical implementation will know and work to get it resolved. The same is also true in reverse. Issues like, "Do we need a separate training instance?", "Do we really need a stress test before go-live?", "Is it ok to just test with SAP_ALL?", "Should the developers get their own client?" , or, "Will it matter if we just re-transport all changing back into the DEV client?" can have serious impact to the project. Level setting those decisions is critical.

A reputable technical specialist will ensure technical shortcuts are not taken for the sake of integrator margins or timetables. It will also provide a measure of continuity should a change of functional integrators need to be made; all the knowledge doesn't walk out the door with one organization.

Single Source Integrators Don't Live Up to Their Staffing Promises

There are as many platform combinations of database, operating system, and hardware on which to run SAP as there are SAP applications. So, just as a functional consultant will have a specific area of expertise, so to do technical consultants. No matter what name is on the business card, or how many thousands of people the single-source integrator employs worldwide, the fact is the success of your implementation comes down to the expertise of the specific individuals who work on it.

Most single source integrator business models are based on hiring short term contractors for specific projects. If the best and brightest aren't available, you get whoever is left, or whoever is cheapest – even if the technical aspects of your specific environment are not their strong suit. If the integrator has outsourced or off-shored the technical portion

of the implementation, there is no way to ensure that the resource provided will have the same background, training, and experience that you were sold on paper. Because of the complexities involved, it is important to work with a provider that understands all the complexities of the SAP technical architecture and maintains a team of expert, full-time employed staff rather than short term contractors.

Conclusion

While using a single-source integrator looks good on the surface – especially from a logistics standpoint – the fact is there are too many pitfalls to this approach to justify the benefits, particularly when it comes to the complexities of an SAP technical implementation. Enterprises are far better-served by separating the functional implementation from the technical, and then bringing in a specialist to handle the latter. The focus, expertise and long-term view of a specialist works in lockstep with the needs of the enterprise, and will do more to ensure the success of the ERP project than the convenience of one bill to pay or having "one throat to choke."

About Symmetry

Symmetry Corporation, an SAP Services Partner Certified in Hosting, Cloud and SAP HANA® Operations Services, provides technical managed services, security administration and project consulting in support of SAP solutions for customers in the U.S. and around the world. Based at Symmetry's Center of Expertise in Milwaukee, Wis., our large staff has extensive experience in Basis, the SAP NetWeaver® technology platform and security consulting. With a proven methodology for delivering technical managed services in support of SAP software, Symmetry delivers flexible, high-quality solutions that help reduce the total cost of ownership and enable high-performing, secure, stable SAP solution-based environments.

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