

EXPERT OPINION

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CONSULTING > SOLUTIONS > OUTSOURCING

SAP ERP UPGRADES »

SAP is actively encouraging its customers to accelerate the adoption of ERP 6.0. To that end, Atos Origin, as a Strategic Partner of SAP, has been working with clients across Europe to design, develop and deliver upgrade projects.

SAP ERP 6.0 has introduced a wide array of new functionality and improved integration designed to increase productivity, enable innovation and reduce costs. SAP ERP 6.0 is built upon the foundations of Netweaver® 7.0 and enables Enterprise Service-Oriented Architecture (eSOA), expanding the range of services supplied by SAP to increase business-process agility, improve facilitation of mergers and acquisitions, reduce TCO and strengthen regulatory compliance.

The introduction of new user-interface technology allows users to move away from traditional SAP GUI interactions towards focused, web-based portals or interact from within office productivity tools such as Microsoft Outlook or Adobe documents.

One significant change is the introduction of Enhancement Packages for all new functionality. This principle of 'innovation without disruption' allows new functionality to be activated via the relevant Enhancement package, without having to wait for a new release of SAP, and without the need for a full regression test.

Some of the most popular new processes include:

- > **New General Ledger** – significantly improved integration, consolidation and reporting
- > **Employee and Manager Self Service** – dramatically reduce administration effort and act as the enabler for the introduction of shared services, resulting in a more empowered and motivated workforce
- > **Real Estate Management** – better control of cashflow, reduced risk and smarter decision-making for all aspects of property management
- > **Sales Order Processing** – enhanced pricing, availability and credit checking, transportation management, and eCommerce

All of these elements, coupled with mainstream maintenance available until 2013 (that we expect to be extended), position SAP ERP 6.0 as the 'go to' release of SAP.

The what, why and how of SAP upgrades

Understanding the commercial motivations and business case for investments in IT, in particular in the current economic climate, has never been more important.

With an upgrade to SAP ERP 6.0, there are three options: technical, functional and strategic. Of these three upgrade options, our experience is that clients are clearly focusing on the technical upgrade.

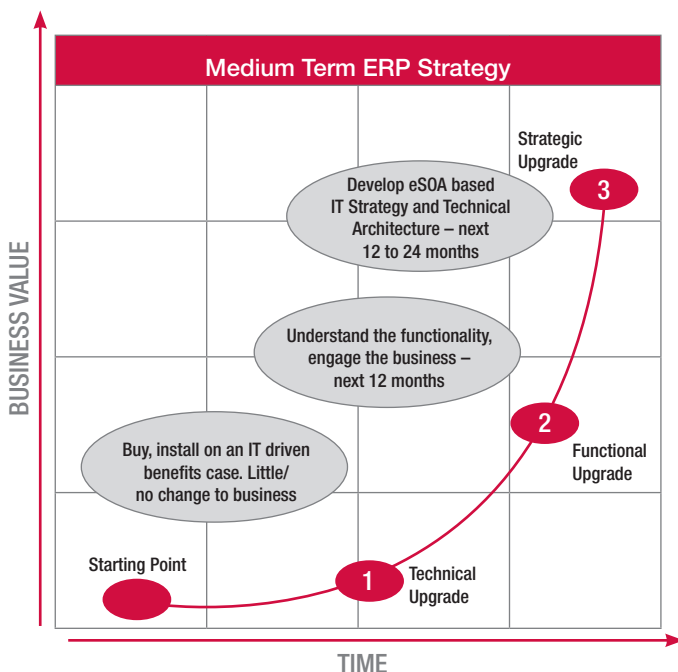
Why the technical upgrade option?

Specific factors have already driven a technical upgrade purchase across a number of our global clients in order to achieve a common level of international SAP compliance. These factors include the major cost benefits, especially with maintenance and licence fees, as well as the reduced risk of implementation to the wider business. Indeed, the ERP 6.0 platform is designed to support seamless business expansion into new geographies, which also only requires a technical upgrade. Currently, the features of the functional and strategic options – such as eSOA and Duet – are not, as yet, a principal consideration in the buying decision.

The ERP road map

Going forward, Atos Origin sees an ERP upgrade roadmap where clients progressively build on their initial technical upgrade investment over the coming 12-24 months. There is a 'narrowing' of the conversation solely to IT benefits so as to simplify the initial decision. The business benefits can then be developed over time, as below:

Figure 1: The ERP SAP upgrade path



Upgrade best practices

A 2008 SAP User Group survey found that the top three concerns of organisations planning an upgrade were focused on:

- > Estimating cost and effort
- > Defining the business case
- > Understanding the amount of downtime required at cutover.

The fastest and most effective way to tackle these concerns is to carry out a structured Upgrade Assessment. This Assessment will determine an upgrade strategy and hardware evaluation for an organisation, as well as provide a detailed understanding of costs and effort to undertake the upgrade.

Analysis and planning is key

For the successful delivery of an upgrade project, we recommend the following:

- > An automated tool, such as the Atos Origin Upgrade Evaluation Tool (UET), should be run to analyse the system, particularly the extent of custom code and modification. An upgrade provides an ideal opportunity to do some housekeeping and redundant custom code should be removed
- > When the strategy, costs and effort for an upgrade are known and funds secured, an organisation must plan when the upgrade will take place. The lowest risk scenario is to undertake the upgrade when there are no other projects underway that could impact on the system, so this clearly means planning ahead
- > Once the upgrade project is underway, systematic planning is essential. Cutover plans should be built from the first sandbox system upgrade and refined as other systems in the landscape are upgraded. Trial runs are particularly important where a Unicode migration is required because of the extended downtime requirement
- > Thorough testing, particularly around areas of SAP that have been modified is essential. In general, standard SAP functions upgrade with little problem, but significant issues and code correction effort can be required for custom developments.

Our experience has shown that a well-managed project with deliberate phases of testing (including end-user testing) and a well-rehearsed cutover will result in a smooth transition to ERP 6.0, thus providing the first step in realising the realms of SAP innovation.

How do I get more information?

Contact hilary.mason@atosorigin.com to find out more and to arrange your free, personalised Upgrade Awareness Session.