
Keane White Paper

Enterprise Event Sensitivity

Tailoring SAP Support to
the Events that Drive
Your Business

EXECUTIVE SUMMARY

Enterprise Resource Planning or ERP systems are intended to support a range of administrative and operational business processes across the organization or enterprise. Yet today, most companies view SAP support as a technical issue. That doesn't fit the bill in an economic climate that demands flexibility, speed, and cost optimization. What's needed now is an approach that goes beyond the technical – an approach that treats SAP support as a business issue and customizes SAP application management to the critical events that drive the enterprise. This paper discusses the pitfalls of “one size fits all” SAP support, proposes an optimized approach to SAP support, and details the benefits that companies can achieve by fine-tuning application support to their enterprise events.

About Keane

Keane partners with businesses and government agencies to *optimize* IT. In business since 1965, Keane is a global Applications and Infrastructure Solutions firm headquartered in the United States with approximately 11,000 employees globally. For more information about Keane's services, solutions, products, and locations, please visit www.keane.com.

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Same Challenge, Different Quarter

Here's the situation: An accountant sits at his desk in Cincinnati and tries to download his quarterly report. 'Report not found' flashes up on his screen. The accountant picks up the phone, calls the system help desk, and reports the problem to the help desk staffer. Yet, despite the staffer's best efforts, the problem cannot be resolved over the phone, and so the staffer opens a trouble ticket. As soon as the accountant hangs up with the help desk, his phone rings: It's his manager in Chicago, saying she can't complete her regional report until she has the numbers from Cincinnati – and she's got the CFO breathing down her neck to get the numbers in tonight. The accountant explains the situation to his manager, and then calls the help desk again. The help desk staffer now tells him that the problem has been elevated to Level 3 and estimates that the problem will be fixed in 24 hours. Which means that the Cincinnati report can't be pulled tonight, which means that the Chicago report can't be finalized, which means that the CFO can't have the complete report when he needs it. And once the CFO hears about it, he fires off a nasty-gram to the CIO, chiding him for lack of system availability during one of the most critical timeframes on the company's financial calendar.

Sound familiar? Unfortunately, stories like this are the ongoing reality for companies around the world. And, although there's usually a happy ending (the CFO ultimately applies the pressure to get the reports he needs in time to close the quarter), many companies come dangerously close to missing their deadlines because of preventable performance issues with their

enterprise applications. Given the magnitude of the problem, it's not hard to imagine that someday, if a system failure occurred at a different time — at year-end perhaps — the incident could have cost the business millions, triggered audits, and tarnished the company's reputation.

How can companies minimize problems like the one described above? One way is by paying greater attention to critical business events and how they are inherently tied to enterprise application support. With a flexible approach, companies can tailor application management to the events that drive the business and support critical enterprise events in a way that lowers risk, controls costs, and reduces effort and time.

Enterprise Events: How They are Typically Supported

Every company's enterprise applications are prime facilitators of a series of business events — predictable sequences of activities with pre-defined timelines. And every company — if they are to be successful — must execute these events efficiently and effectively. This includes business process events that are common across industries — including financial close activities, employee performance reviews, and benefits enrollment periods. It also includes industry-specific events such as holiday sales, product promotions, and new store openings for retailers; clinical trials, FDA drug approvals, and drug product launches in the pharmaceutical industry; and export control transactions and aircraft on ground in the aerospace and defense space. Yet regardless of the industry or

company, enterprise events share a set of common characteristics. Enterprise events are:

- » Repetitive in nature with well-defined patterns
- » Marked by significant change in systems and data
- » Time-sensitive
- » Demanding, in that they place tremendous pressure on the performance of people, systems, and processes
- » Crucial, because their successful completion is critical to success of the organization

For a real-world look at these characteristics in action, let's return to our quarterly close example. Typically, a quarterly close involves many data changes, as well as finalizing a large number of transactions. (In some companies, system changes may also precede quarterly close.) The quarterly close also calls for a sequence of financial and non-financial processes, batch jobs, and transactions, which must be executed in a particular sequence with intricate interdependencies. The close must be completed per the predefined calendar, so that the company can report its financial results. Accordingly, the quarterly close places great demand on the system's resources (due to the large number of transactions and jobs being processed) and people (think of the large numbers of people who work extra hours to enable a successful close). And, of course, it is crucial to complete the close efficiently and get the performance data out to the market on schedule.

However, most companies and their application management vendors, have not tailored enterprise application support to manage their enterprise events

Industry-specific enterprise events include:

- » **Aerospace and Defense**
 - » Export control transaction
 - » Aircraft on ground (AOG)
- » **Retail**
 - » Holiday seasons
 - » New store opening
- » **Manufacturing**
 - » Union contracts
 - » New product introductions
- » **Pharmaceuticals**
 - » Code of Federal Regulations Title 21 (CFR 21)
 - » FDA approval

— events that have the potential to shape the destiny of the company. Instead, they take a “packaged” approach to managing “packaged applications” by:

- » Concentrating efforts on providing technical and functional support
- » Reacting to problems rather than fixing them before they impact end users
- » Keeping their application support team configuration the same regardless of the business calendar
- » Neglecting to use tools and techniques that speed the pace of data and application change

Industry-agnostic enterprise events include:

- » **Financial close activities**
- » **Employee performance reviews**
- » **Benefits enrollment periods**

Enterprise Events: How They Should Be Supported

To enable business success, companies must reevaluate their approach to application management. It is now possible to customize application support to critical enterprise events – ensuring a high-level of system availability and performance while optimizing IT costs year over year. An optimal application management approach is focused on four critical elements:

- » **Accelerating change stabilization**
Systems change can have a ripple effect. Whenever there's an enterprise event, companies must ensure that business processes aren't affected as applications change. To that end, application support teams should design a complete workflow for each enterprise event, detailing all the processes and jobs, as well as their interdependencies. Teams should also use performance optimization solutions to speed activities such as root cause analysis, business process monitoring, change control management, and incident management. In addition, application support teams should automate and compress business process integrity testing and

regression testing to ensure that financial compliance and process integrity is not lost due to changes.

- » **Optimizing system performance**
System performance is much more likely to become compromised during enterprise events – times of high change and usage. Accordingly, application support teams should proactively monitor systems, using an “air traffic control” approach to watch key systems closely and preempt problems before they effect end users. With this approach, the team will gain perspective on the repetitive pattern of activities and recurring problems. And, armed with this insight, they can tune system performance so that the same problems do not occur the next time the enterprise event occurs.
- » **Incorporating time sensitivity into execution**
With system changes, time is of the essence on two fronts: revenue sensitivity and compliance sensitivity. From a revenue perspective, if a system change holds up new product introductions or sales, time equals money. In fact, ERP application downtime can cost a company thousands of dollars per minute. From a compliance perspective, if system changes hold up reporting or filing, companies have huge regulatory issues on their hands. To drive revenue and compliance, application management teams must approach each enterprise event as a “mini project,” with strict timelines and outcomes, and run them according to a project plan.
- » **Deploying appropriate resources in a flexi-scale model**
Every system does not need to be monitored all day, every day. However, during enterprise event periods, critical systems need exceedingly close

monitoring. Therefore, application management teams should tackle variable demand by deploying or adding people during critical periods and then scaling back or redeploying people once the critical period has passed.

Optimized Approach, Big Benefits

Most companies think of application support in terms of technical support. They keep the focus on Level 1, 2, and 3 support services; 24x7 user, break fix, and production support; and routine software maintenance. While Keane agrees that this type of support is critical, we also believe that it is just the table stakes. What is also required is optimized support that enables the successful execution of the critical business events that can make or break a company. With an optimized application management approach that is customized to enterprise events, companies can achieve greater benefit, including:

- » **Flexibility:** Because system changes are made faster and system performance is carefully calibrated, companies eliminate blockages and increase their ability to bring new products to market faster, close the books sooner, or execute M&A activities more smoothly.
- » **Cost optimization:** IT budgets are cut to the bone. In fact, Gartner reported in a recent survey of CIOs that “2009 was the most challenging year for IT since the survey began in 1999, and CIOs had faced multiple budget cuts wiping away four years of budget increases, giving CIOs basically

the same level of resources as they had in 2005.” (Source: Gartner, Inc. “Gartner EXP Worldwide Survey of Nearly 1,600 CIOs Shows IT Budgets in 2010 to be at 2005 Levels,” January 19, 2010). However, by outsourcing application management to the right vendor, companies can reduce SAP support costs by 10%-30% and redirect their savings to new initiatives that will drive competitive advantage. That means IT can achieve more without spending more.

- » **Speed:** Some enterprise events are universal, others are industry-specific. Yet there are commonalities across similar businesses that have similar processes and, therefore, similar application support needs. Working with a vendor who is able to provide preconfigured solutions to common application changes, prevents “wheel reinvention” and can accelerate SAP application change by 20%-30%.

Action Items

Companies have a great opportunity to reevaluate their SAP application support approach. Done right, application support can become a powerful tool that can:

- » **accelerate change stabilization**
- » **optimize system performance to drive revenue**
- » **ensure compliance**
- » **save money**

About Keane

Keane's Operate, Maintain, and Enhance (OME) Services help companies optimize the performance of their SAP systems in support of critical enterprise events. We optimize our support levels to drive system availability, accelerate change, and ensure service quality – while helping reduce SAP OME costs by 10%-30%. Here's how we do it:

- » **Integrated support services:** With our integrated Level 1, 2, and 3 support services, we monitor system performance; provide 24x7 user, break fix, and production support; perform routine software maintenance; and make the functional enhancements that will drive your business forward. In addition, our OME clients can benefit from Keane's upgrade, testing and validation, and impact analysis services.
- » **Enterprise event sensitivity:** We fine-tune support levels to facilitate the critical enterprise events that drive your business.
- » **Powerful partnership:** Our SAP partnership keeps us on the cutting edge of SAP technology, bringing continuous improvement to your systems and guaranteeing system performance.

- » **Flexible cost models:** To enable our clients' flexibility, we offer fixed price, flex capacity, and shared support service options.
- » **Agile, adaptive delivery:** Our ShoreWise Adaptive DeliverySM model emphasizes local accountability and global talent. With ShoreWise, we arm you with the smartest mix of resources and costs that adapt to changing business conditions.
- » **Ease of doing business:** We work differently than our competitors. We believe that optimizing your applications and outsourcing strategy can only come from working hands-on with your people, processes, and systems. The experience we gain from working onsite inside our clients' enterprise applications means we recognize and understand nuances and subtleties about your business that can't be seen from afar by typical firms.

Contact Us

Keane can accelerate SAP application change by 20-30% and reduce SAP OME costs by 10-30%. To learn what we can do for your enterprise, contact info@keane.com.