

MAKING THE MOST OF YOUR SAP® SOLUTIONS

ACHIEVING OPERATIONAL EXCELLENCE, REDUCING TOTAL COST OF OPERATIONS

The goal of any SAP® software implementation is to drive business value from the implemented business processes. Maximizing business value requires focusing on operational excellence, which involves careful planning and measurement for continuous improvement. SAP offers services to help you achieve this.



Achieving Operational Excellence

Operational excellence, in the context of SAP® software operations, can be measured by how effectively employees can transact repetitive end-to-end business processes to deliver value to their customers – without any break in the process chains, with the least involvement of executives and subject-matter experts, and with the support of best practices, processes, methods, and tools that are repeatable, scalable, and measurable. In the end, achieving operational excellence drives competitive advantage to the organization in the marketplace. Seamless, end-to-end business processes integrate multiple businesses and bring transparency.

Support or Customer Center of Expertise (Customer COE) organizations, which are entrusted with ensuring operational excellence, must manage this task at the lowest total cost of operations, demonstrate agility with the business, and deliver a faster time to market. This means incorporating benchmarks, having service levels to constantly measure performance, and striving for constant innovation and perfection.

Total cost of ownership includes all costs associated with acquiring, owning, and running information technology operations. In contrast, the **total cost of operations** includes the ongoing costs associated with managing hardware and software, day-to-day operations, and end-user usage costs. These can be further classified as technical infrastructure, system and application software, system and application opera-

tions, continuous improvement projects, system and application upgrades, and end-user operations.

Achieving operational excellence at a lower total cost of operations is the goal of every well-managed support organization. The goal is to strive for excellence without increasing the cost to achieve excellence. This is primarily accomplished by optimizing the various cost elements within the control of the organization.

Focus on Operational Excellence in the Run Phase

The following aspects have proved to be the most valuable in effectively managing operational excellence and reducing total cost of operations in the run phase of your SAP solution:

- End-user effectiveness
- Proactive monitoring of business processes
- Efficient incident management – level 0 to level 3
- Empowered Customer COE – aligned to business and IT
- Use of tools, methods, and measurements

End-User Effectiveness

To build high end-user effectiveness, implementing a superuser concept with highly competent superusers is a key strategy. This concept brings problem solving closer to the end user who is running the business process day in and day out, thereby leading to operational efficiency and lower total cost of operations through business continuity. It also fosters on-the-job training for

the end users. A competent superuser can work directly with the end user to help solve problems, making it unnecessary to go through an escalation process for a solution. Whether the problem is due to a deficiency in the end-user skills, gaps in data integrity, or a system defect that must be escalated through the help desk to a higher level of support, the superuser is a great first line of defense in end-user effectiveness and proper problem identification. Superusers also act as liaisons between the business and IT by helping to translate business requirements into IT solutions.

Proactive Monitoring of Business Processes

To achieve highly effective support, you can't just wait until an end user complains to recognize that a process is performing inadequately or failing. You must proactively monitor both the system infrastructure and the complex business processes and interfaces. You must have appropriate service-level agreements (SLAs) with the business around application availability, end-to-end business-process responsiveness, and problem resolution goals. And you need a way to measure these SLAs. The SAP Solution Manager application management solution can help you automate many of these tasks, including business-process monitoring and system monitoring, by sensing a system or process failure is about to occur and sending advance alerts.

Efficient Incident Management – Level 0 to Level 3

Your help desk should be your first line of support, but the help desk staff typically handles many different types of requests. So you will need to institute a support-level escalation path: from help desk (level 0) to level 1 support, often from the superuser; to level 2 support from your Customer COE support specialists; and on to level 3 support from the SAP Active Global Support organization. Measuring, testing, and monitoring each level of support to help ensure “first time right” and striving for continuous improvements in each phase of the support process are vital to prevent rework and contribute to operational excellence.

Empowered Customer COE – Aligned to Business and IT

One of the keys to achieving operational excellence is having a well-orchestrated alignment between the business divisions and IT and an empowered Customer COE that is a proactive partner and enabler with the business. If the Customer COE is simply the organization that gets called when there's a problem in the system, you are losing an opportunity to build alignment and to truly partner with the business. Top-performing Customer COE organizations have close alignment and excellent relationships with the business to enable effective planning and timely delivery of IT solutions for changing market dynamics. Close relationships also help them improve customer service, establish transparent governance models that aid in faster decision making, and use well-defined service levels monitored and measured to drive efficiency

and manage operations without business disruption. This helps ensure your support organization is operating at peak efficiency and proactively partnering with the business to resolve issues, as well as being a value-added partner for additional projects being implemented or continued rollouts of your SAP solutions.

Use of Tools, Methods, and Measurements

Achieving operational excellence calls for a very strong foundation that unifies the key elements of organization, people, and processes. The unification is complemented by the use of methodologies and standards that help drive scalability, repeatability, and reliability in operations. Software tools aid in the automation and management by calibrating, measuring, and monitoring activities that keep the operational staff apprised of operational effectiveness. Further, these tools help in being proactive by sending notifications and alerts on potential issues.

SAP Solution Manager facilitates technical support for distributed systems – with functionality that covers all key aspects of solution deployment, operation, and continuous improvement. A centralized, robust application management and administration solution, SAP Solution Manager combines tools, content, and direct access to SAP to increase the reliability of solutions and lower total cost of ownership. Other features include change control management, monitoring, application support, root cause analysis and diagnostics, systems administration, and service-level management.

Support organizations and Customer COE organizations deploy different methodologies and standards to manage the function of operational IT services. The common industry standard for managing SAP operations and delivering IT service management is the IT Infrastructure Library (ITIL). Using methodologies and standards enforces operational discipline among the support staff and brings a process-driven approach to managing operations. SAP has developed its own Run SAP methodology for the operations phase (also called the run phase). The Run SAP methodology comprises a road map, best practices, and end-to-end operational standards and coordinates well with the ITIL approach.

In summary, tools, methods, and measurement help gauge how effectively a support operation delivers service to its end customers. SAP recommends the deployment of SAP Solution Manager as the "single source of truth" and a gauge to help manage the run phase, complemented with other best-of-breed tools for end-user effectiveness, testing, risk management, governance, and diagnostics.

For More Information

For additional information on services from the operations optimization team of SAP Consulting, please contact an SAP service representative, call us at +1 866-609-1124, or visit us online at www.sap.com/usa/services/consulting.

SAP Consulting Services for Achieving Operational Excellence

SAP offers a set of services to help you achieve operational excellence and lower the total cost of operations. The services are listed in the following table:

Service	Description
Operations planning assessment	This service prepares first-time SAP customers to manage their SAP® solution after going live. SAP consultants work with the customer's decision makers and team via workshops to understand the support strategy and vision and then provide a support-readiness road map focused on the right operations organization, people, processes, sourcing models, tools, and measurements to implement.
Operations maturity assessment	This service evaluates an existing SAP customer's support operations to determine areas in need of optimization. SAP consultants work with the customer's decision makers and team via workshops to understand the current support strategy and vision and the "as-is" support processes and then provide the team with a road map focused on increasing the overall maturity and effectiveness of the support operations and Customer Center of Expertise (Customer COE) organizations.
Operations design and implementation for Run SAP	This service centers on the implementation of work packages for setting up or improving upon the operations of the Customer COE, as detailed in the recommendations of the operations planning or maturity assessment service. Design and setup services are planned and implemented via the short-term work packages (approximately 90 days), as appropriate for each customer.
Postproduction support for Run SAP	This service is for the operations and optimization phase of the Run SAP methodology. It examines how to best staff and run an SAP support team with the proper balance of required competencies to allow meeting or surpassing customer expectations and needs, while also constantly looking to reduce the total cost of support. This is mainly achieved by adopting the proper staffing model or "right-sourcing" strategy, aligned with customized support delivery models, which fulfills the long-and medium-term objectives of the customer's enterprise resource planning lifecycle plan

Summary

The goal of any SAP® software implementation is to drive business value from the implemented business processes. Maximizing business value requires focusing on operational excellence, which involves careful planning and measurement for continuous improvement. SAP offers services to help you achieve this.

Business Challenges

- Derive the most business value from operations at the lowest cost
 - Ensure end-user effectiveness
 - Proactively monitor business processes
 - Manage incidents efficiently
 - Ensure support organization is aligned with both business and IT
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Services Offered

- **Operations planning assessment** – Prepare first-time SAP customers to manage their SAP solution after going live
 - **Operations maturity assessment** – Evaluate existing SAP customers' support operations to determine areas in need of optimization
 - **Operations design and implementation for Run SAP** – Implement work packages for setting up or improving the operations of the Customer Center of Expertise organization
 - **Postproduction support for Run SAP** – Determine the best way to staff and run an SAP support team to meet and or surpass customer expectations and needs, while also working to reduce total cost of support
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Business Benefits

- **Reduce total cost of support** by using the right organization, people, processes, tools, and measurements to optimize support operations
 - **Gain efficiency and agility** when the support organization works closely with both IT and business groups
 - **Deliver greater value to the business** by having a staffing plan that frees up IT resources from day-to-day escalations so they can support the business in ongoing projects and rollouts
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