KMD

DANISH IT PROVIDER PARTNERS WITH SAP FOR FIRST-TO-MARKET COMPETITIVE ADVANTAGE

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Michelle Hansen, Project Manager, KMD A/S

QUICK FACTS

Company
- Name: KMD A/S
- Location: Ballerup, Denmark
- Industry: High tech
- Products and services: IT solutions and services
- Revenue: DKr 3.8 billion (€509.8 million)
- Employees: 3,300
- Web site: www.kmd.dk

Challenges and Opportunities
- Maintain a competitive edge in a constantly evolving IT market
- Deliver continuously updated, leading-edge technology to customers in the Danish public sector

Objectives
- Develop close strategic ties with SAP
- Outsource platform development responsibilities
- Influence development of SAP® software and stay on top of latest features and functionality
- Stay ahead of the technology curve through an early adoption program

SAP Solutions and Services
SAP Ramp-Up program

Implementation Highlights
- Strong working relationship with SAP to coordinate KMD go-to-market strategy with new functional releases of SAP software
- On-site assistance from SAP Consulting, special attention from the SAP Ramp-Up organization, and direct support from SAP development

Why SAP
- Integrated technology platform and a full suite of market-leading enterprise applications
- Proven commitment to developing new technology to continuously meet market needs
- Leadership position in the public sector offering
- Strong, highly developed ramp-up program for new solutions

Benefits
- Knowledge of upcoming releases and ability to evaluate this information regarding its impact on product development
- First-to-market opportunities to outpace competition with innovative new functionality
- Increased customer satisfaction

Existing Environment
- SAP ERP application
- SAP Customer Relationship Management application
- SAP NetWeaver® technology platform

Third-Party Integration
- Database: IBM DB2
- Hardware: HP and IBM
- Operating system: Microsoft and IBM

KMD

KMD A/S is one of the leading IT solution providers in Denmark. Because it uses SAP® software as a core platform on which it develops its own solutions, KMD has a vested interest in adopting new releases of SAP software as soon as possible. This is why the company has participated in the SAP Ramp-Up program many times. "We need to stay ahead of the competition," explains Michelle Hansen, project manager at KMD. "The SAP Ramp-Up program helps KMD do this by giving us first adopter status for the latest technology coming out of SAP."

Going Public

KMD provides IT solutions to the Danish public sector, which means that its customer base is drawn from Denmark's 98 different municipalities. These municipalities are responsible for managing a wide range of activities including healthcare, social services, environmental control, adult education, economic development, and employment issues.

KMD's vision for Denmark is one of "digital citizenship," where all Danes have direct access to their municipality through online tools. Using these tools, they can get information, communicate with their government, and manage issues ranging from maternity leave and doctor visits to job searching and drawing a pension.

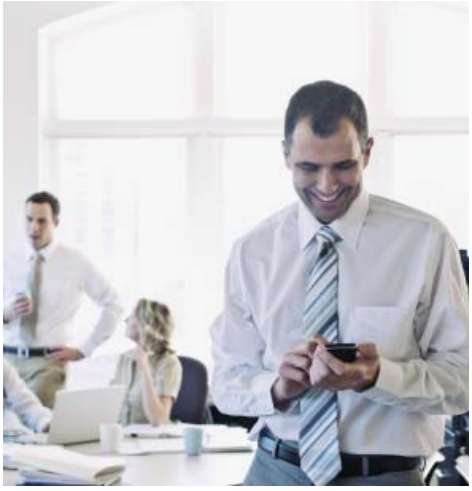
But because of frequent changes to the regulatory framework in Denmark, it is often difficult for IT solution providers to keep pace. This is part of the reason why KMD chose to partner with SAP. "We consider SAP a strategic partner," says Hansen. "Essentially, we outsource platform development responsibilities to SAP, and on top of this platform we develop our own solutions. This saves us a lot of time and energy when it comes to maintaining our core software foundation, and it allows us to focus our energies on aligning our software with constantly changing laws."

For example, one of the solutions that KMD has in its pipeline allows Danish citizens and municipalities to manage the details of maternity leave more efficiently. Expecting parents can log on to the system and file a claim for leave according to Danish laws. Throughout the duration of their leave, they can also make updates and then work with their employer to coordinate their return to the workplace.

To manage all this, the KMD solution must align with a complex set of regulations that are unique to Denmark. For this reason, KMD seeks to keep its own solutions separate from – yet integrated with – the SAP software on which they run. The goal is to benefit as much as possible from the standardization enabled by the SAP software.

"If we were to customize the SAP software and then deliver it to our customers, we would lose the benefit of standardization," Hansen explains. "By developing on top of the SAP standard, we can execute new upgrades to the standard functionality while minimizing the impact on our own solutions. This approach allows both KMD and SAP to focus on core competencies. SAP develops standardized business functionality, and KMD develops specialized functionality for the Danish public sector."

The benefit in the relationship works both ways. While SAP takes platform development duties off of KMD's hands, KMD provides valuable input to SAP regarding features that would be most useful for public sector institutions. This keeps SAP close to the end customer and makes for more powerful applications that meet market needs.



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Michelle Hansen, Project Manager, KMD A/S

Strengthening Strategic Ties

Recognizing the importance of its strategic relationship with SAP, KMD keeps participating in the SAP Ramp-Up program. This program allows KMD to adopt new releases of SAP software functionality ahead of the general market release date. Working closely with SAP's back-office team supporting the SAP Ramp-Up process, KMD can review new software features and decide which functionality to implement using SAP enhancement packages.

For KMD, the ability to review upcoming features plays an important role in how it goes to market with its own offerings. "We often need to decide whether to deliver standard SAP functionality to our customers or develop our own," says Hansen. "Through the SAP Ramp-Up program, we can evaluate upcoming SAP releases to make those decisions more effectively."

What's more, KMD can ensure greater quality all around thanks to its tight working relationship with SAP. "With the input we give SAP, we are able to influence the development of standardized functionality released by SAP," says Hansen. "And because we have a better understanding of what's about to be released, we can design our own solutions to work more effectively with the standardized functionality. This reduces our own risk and leads to more satisfied customers."

"The knowledge transfer provided by the SAP Ramp-Up program as well as the available product documentation . . . provided the core information and expertise to enable a successful project."

Michelle Hansen, Project Manager, KMD A/S

Upgrading on a Timeline

One particular instance with the SAP Ramp-Up program sticks out in Hansen's mind. This project involved upgrades to test and development systems that run the SAP ERP and SAP Customer Relationship Management (SAP CRM) applications, along with the SAP NetWeaver® technology platform.

"We had just a month and a half to upgrade six different core SAP software systems – all of which are critical to our business," Hansen recalls. "Thanks to the extra attention SAP gave us as part of the SAP Ramp-Up program, we were able to complete the project on time as planned."

As part of the program, KMD received an SAP Ramp-Up coach from SAP Consulting to help resolve issues and coordinate with the back office supporting the SAP Ramp-Up process. In addition, SAP's regional support office in Denmark sent a highly experienced consultant to deliver expertise on-site.

"Both specialists from SAP were fantastic," says Hansen. "The SAP Ramp-Up coach made sure any issues we encountered were addressed in a timely manner by the back office. The SAP consultant, meanwhile, sat with us for a full week and helped us resolve issues in real time as they arose. I don't think we would have met our deadline without them."

To prepare for the upgrades, KMD also relied on the expert training provided by the SAP Ramp-Up program to enable knowledge transfer. This training includes classroom sessions and workshops and provides online learning maps to enable an early transfer of skills. "The knowledge transfer provided by the SAP Ramp-Up program as well as the available product documentation worked out great for our technical staff," says Hansen. "It provided the core information and expertise to enable a successful project under an extremely aggressive timeline."

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Knowing Is Succeeding

How does KMD benefit from the SAP Ramp-Up program? "I think the main advantage of the SAP Ramp-Up program is knowledge," Hansen says. "By participating in it, KMD receives knowledge about upcoming releases, how they fit into our landscape, and how they all will benefit our customers. When you're in the IT business, nothing is more valuable."

The other benefits KMD receives from the program all stem from this knowledge. "With advanced knowledge of new releases through SAP Ramp-Up, we can prepare our customers for upcoming innovation, which helps increase satisfaction," says Hansen. "And with early adoption status, we can get to market before our competition. This, in the end, helps keep us successful as a business."

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