SAP Solutions for Small and Midsize Enterprises

COST-EFFECTIVE ERP SOFTWARE

FIVE SECRETS TO STRETCHING YOUR IT BUDGET

You want to support a growing business with valuable software and IT support, but you have limited budget and resources. Outdated applications and countless integration challenges leave you little time to provide the kind of strategic IT support that can help move the business forward.

How to do more with less? One approach is to "use technology rather than more staff to get the job done," a trend noted in a recent IDC executive brief.[1] What you need is an infrastructure that runs the business – whether that means offering support across time zones or complying with new accounting regulations – while driving process efficiencies.

You need a flexible solution that can adapt and scale as your business grows, even without additional IT staff or resources to support it. And you need this world-class enterprise resource planning (ERP) software within your budget and time horizon. In short, you need an affordable and flexible ERP solution that can be implemented quickly, adopted rapidly, and maintained easily.

Working with a tight IT budget? No need to despair. Get in on these five secrets and get the most for your IT spend.

Secret #1: Consider Your Options, Then Get a Price Up Front

What will it cost to implement the enterprise resource planning (ERP) solution your business needs to stay competitive? It shouldn't be a secret. To get an accurate estimate – and find an affordable solution that fits your budget – you must understand all project components, including not only the solution itself but also its implementation. A typical software implementation includes costs related to licensing or subscription fees, implementation, testing, and training. In addition to evaluating the up-front outlay, look for a solution that minimizes ongoing maintenance, administrative, and IT support expenses. An affordable ERP solution is one that can be maintained without an extensive infrastructure or expensive IT resources.

Finding a solution to fit your budget requires evaluating a range of deployment options, including on premise, on demand, on device, and hosted. Start-up costs can range from a few hundred dollars per user per month for a subscription to a few thousand dollars to implement a basic business intelligence (BI) solution. Growing in popularity are outsourced on-demand solutions. You pay a monthly fee that includes software application use, hardware infrastructure, database, backup and security, support, and updates. For software as a service (SaaS), the vendor handles management, monitoring, and maintenance of hardware, database, and software infrastructure – so be sure to check each potential vendor's reputation and reliability. According to IDC, "SaaS can provide lower-cost, efficient choices for building, testing, and deploying certain applications and software services, and it offers new go-to-market choices over traditional managed services."[2]

Finally, ask each vendor for an up-front price for solution plus implementation – or ask about a package that includes software, hardware, and services. This eliminates surprises and ensures that you stay within budget.

1. IDC Executive Brief, *Three Truths to Guide SMBs Toward Capitalizing on the Economic Turnaround*, June 2010.
2. Robert Mahowald, IDC Analyst Connection, *Software as a Service: A Cheaper, Faster Way to Access Applications*, December 2009.

Secret #2: Pay Only for What You Use

Another way to stay within a tight budget is to start small, limiting your initial investment, then adding functionality as your business expands. For this pay-as-you-grow strategy, you need a solution flexible enough to expand as you grow – highly configurable and comprehensive software that adapts quickly to your business, without the need to buy or integrate additional software. For example, you might need a solution that can support International Financial Reporting Standards (IFRS) and U.S. GAAP simultaneously yet also support additional currencies and languages as you enter new geographic markets. Or you might have pressing customer relationship management (CRM) issues that require you to implement ERP with CRM functionality; later you may want to add BI.

Look for a solution with modular design, which makes it easier to start small, focusing on your most pressing needs, then adding users and functionality as you go. IDC research confirms this benefit for on-demand solutions: "For smaller organizations, SaaS is particularly appealing because it allows customers to pay for what they use and deploy applications quickly with less in-house staff and fewer related costs."[3]

Secret #3: Implement Quickly

It's no secret that the longer the implementation, the more it will cost. You can't afford a lengthy or expensive ERP implementation. Stories of multiyear software implementations that explode both budgets and timelines are as common as they are frightening. An implementation that drags on effectively eliminates any chance at rapid time to value.

In reality, you can implement a sophisticated ERP solution in as little as a few weeks, depending on your requirements. Look for a vendor that uses best-practice methodologies to save time and streamline implementations. Choose a solution that can be implemented within a manageable time frame – 12, 8, or 4 weeks. You want a solution that gets you up and running quickly, providing the valuable insights needed to realize your growth and profitability goals.

Secret #4: Document and Drive Efficiencies

Historically, one of the primary roles of IT has been a driver of cost efficiency – within IT and across the business. Through IT automation, standardization, and process efficiencies, you can reduce costs while improving productivity. For your employees, automated routine business processes save time and free resources for higher-value projects. For IT, standardization means you spend less time on system maintenance and more time implementing innovative functionality. But if your company has disparate systems running different parts of your operations, you may be spending too much time troubleshooting and maintaining integration points – and not enough looking for opportunities to reduce costs and improve productivity.

A single, integrated solution simplifies your IT infrastructure and makes it easier to align business functions for maximum productivity and performance. A single solution also reduces the need for challenging system integration work and provides a platform for standardization, so you can review business processes across the company, identifying and prioritizing opportunities to cut waste, redundancy, and costs. With built-in business analytics and best practices, you can improve your ability to support the business. Intuitive, easy-to-use dashboards and reporting help your employees present data in new ways for deeper insight and maximum productivity.

Secret #5: Take Advantage of Training Opportunities

Another secret for getting the most from your IT spend is to take advantage of available training to get your employees up and running quickly on any new software. Often overlooked and undervalued, training is critical for reducing the time to value of your investment.

According to a report by Michael Doane, a leading expert on enterprise software and training, "On average, clients invest only 4% to 5% of their implementation budget on training, of which about 50% is dedicated to the end users and the rest go to the internal project team and executive awareness. Worse, since end user training is the penultimate step before Go-Live, a stage when both budgets and schedules are stretched thin, many clients cheap out and provide foreshortened initial training."[4]

3. Ibid.
4. Michael Doane, *Your Users Are Stumbling and Your Business Is Suffering: How cutting SAP Training could make bad times worse*, June 2010.

SAP offers a range of ERP solutions for small businesses and midsize companies, allowing you to spend less money and IT effort on implementing and managing solutions. Each complete and integrated SAP solution comes with the functionality you need to run your business.

To maximize your return, leverage the combination of course offerings, context, and delivery options that meets your budget, enables readiness, and helps your organization move from vision to realization through application proficiency.

Whether you need standard project-team training, customized courses, or certification, you need a vendor that offers a comprehensive portfolio of applications and technical training as well as education services designed to train your employees rapidly and efficiently.

Get the Best ERP Software Within Your Budget

You want world-class ERP software that is affordable, flexible, and quick to implement and adopt while driving further IT efficiencies. SAP offers a range of ERP solutions for small businesses and midsize companies, allowing you to spend less money and IT effort on implementing and managing solutions.

Each complete and integrated SAP solution comes with the functionality you need to run your business. What does that mean for you? Better use of IT resources, increased solution flexibility, and rapid implementation. In short, better software, better support, and far less stress.

From licensing agreements to monthly subscription plans, SAP has a solution to fit your budget, timeline, and objectives. Use one of the following affordable SAP solutions for small businesses and midsize companies to solve important problems today – and position IT to support your company's future:

- The **SAP® Business One** application gives you software for key business activities, eliminating the complexity and expense of integrating multiple solutions. It can be deployed quickly and requires minimal maintenance.
- The **SAP Business ByDesign™** solution is delivered on demand, giving you powerful SAP software without the need for a costly IT infrastructure and staff – all for a low monthly fee.
- **SAP Business All-in-One** solutions give you sophisticated applications and state-of-the-art technology that can be adapted easily to fit changing business needs. The SAP Business All-in-One fast-start program simplifies evaluation and implementation for quicker time to value and lower total cost of ownership.
- **SAP BusinessObjects™ Edge BI** software is a comprehensive BI solution specifically packaged and priced for midsize companies.

For more information about SAP solutions for small businesses and midsize companies, visit www.sap.com/sme.

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