



IT, Your Fifteen Years are Up

Cutting the IT Bottom out of SAP's Peach Basket

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"Technology is a word that describes something that doesn't work yet."

— [Douglas Adams](#)

Fifteen years ago, I believed that the SAP market would be a brave new world in which IT actually *served* business and where technology would be seen as an enabler rather than an end state unto itself. SAP promised to free us of undue operating system concerns through its powerful middleware and since the applications were configurable, I was looking forward to a dramatic reduction in the sway of programmers, data base managers, and anything having to do with operating systems. I was confident that newly-minted business process owners would become the centers of information power at client sites and that information technology, while hardly being banished to "the boiler room" would all the same be placed into a proper *business support* context.

Ah, well.

Having been recognized as both a consultant and an industry analyst through these SAP years, I have often been asked why SAP projects tend to go so badly. Another question posed to me on a regular basis is: why are so few firms getting full benefit from their SAP investments?

There is a single answer to both questions: because clients, consultants, and SAP itself erroneously believe that SAP is principally an IT subject. By consequence, most activities relative to implementation and subsequent deployment are incorrectly focused.

The fact is: SAP is no more about IT than books are about ink and paper. The *client story* is supposed to be the subject and how that story can be better written.

All the same, through my first fifteen years working in the world of SAP, I observe:

- a) Clients give their IT departments unwarranted leverage when selecting applications software for acquisition
- b) After acquisition of SAP, clients usually turn over implementation leadership duties to their IT staff
- c) SAP continues to brand itself as a technology firm rather than a business solutions firm
- d) Both client IT and SAP are tenacious in maintaining a "software-centric" culture and agenda that is matched by business slouching its way forward with the oldest fig leaf in the enterprise: "without this information, we can't do our jobs".

When firms implement SAP, their business people are given a grand vision of how much more streamlined their processes will be, how much better their reporting, and how the in the future the firm will embrace change rather than suffer from it. But after go-live, IT is still in charge and the tendency is to focus upon cost containment, risk avoidance, consolidations. This is not always due to IT management's desires for such focus; often it is simply the result of corporate dictates.

SAP itself, utterly branded as a technology firm, does far too little to address this misfire. As such, after years of leading its clientele down an acquisition path, it has fallen behind that same clientele when it comes to business-centric software deployment and positioning. The supplier's current preoccupations are HANA (an in-memory computing offering), mobile applications, Business ByDesign (applications for small businesses), and the ever-present NetWeaver. Business is not amused.

This is not to say that these subjects are unimportant but quite clearly they do not strike at the heart of business people's over-riding concerns.

The following are examples of what I've heard from clients over just the past three years (not verbatim):

"We over-customized our applications and ever since we went live, it's all we can do to keep up with maintenance. For a while, we had a steering group charged with business process improvement but we never had the time or money to address their issues, so they disbanded."

"Our IT management only knows how to buy and install new software. We never focus on how to make it work better or how we can get value from it. Our motto is "the more software we have the better we are."

"We built a center of excellence that worked fairly well for about six months. Then we hit 2009 and there were a lot of layoffs. The center of excellence just melted away since so many of its members were gone and not replaced."

"No one on the business end will join our center of excellence. They just don't believe us anymore."

Even leading light firms can see that light flicker. Some months ago, while speaking about centers of excellence to a group of clients in Atlanta, I cited a local client that has been a core model for the past ten years. During the break after my talk, I discovered that one of the audience members worked for that client. He approached me, introduced himself, and said: "I've been there the whole time. We used to be really good like you described. We're just not that good any more."

When I asked what happened, he replied, "Budget cuts. We went from business process improvements right back to basic maintenance."

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Dr. James Naismith is credited with the invention of the sport of basketball in 1891. His initial "baskets" were peach baskets nailed ten feet high in a gymnasium. The sport was initially codified into 13 rules as published by the good doctor. Unfortunately he missed one very crucial step in the development of the sport.

From <http://blog.mitchellandness.com/?tag=/peach+basket>

The peach baskets were closed at the bottom, which resulted in someone having to climb up on a ladder to get the ball after a basket was made. A little while after, the peach baskets were

replaced with a metal rim and hanging net. Again, the net was closed at the bottom. It wasn't until 1906 when people began to open the bottom of the net to let the ball fall through.

The game was invented for college students and between 1891 and 1906 we can presume it was played by thousands and thousands of them. *All the same, fifteen years passed before it finally occurred to someone to cut out the bottom of the peach basket.*

Obviously, that change in “basketball process” has radically benefitted both players and fans over the past 105 years.

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Year after year I come across clients with a serious lack of agreement regarding their SAP maturity. IT people give me the thumbs up and business people just shake their heads.

I believe that if everything was left up to technologists nothing would operate but everything would work.

Today, the phrase “business and IT alignment” makes me cringe as ‘alignment’ is both a cipher for “can’t we all just get along” and a false grail. The only alignment needed is a repositioning: IT at the service of business, period.

Over the past year, I have observed a distinct movement in this direction. I know a consultant who was hired by business stakeholders at a major client and told to provide business intelligence in the form of dashboards. He was also told not to communicate with the firm’s IT or SAP support staff or with the Deloitte consultants who were onsite. “They’ll only get in our way.”

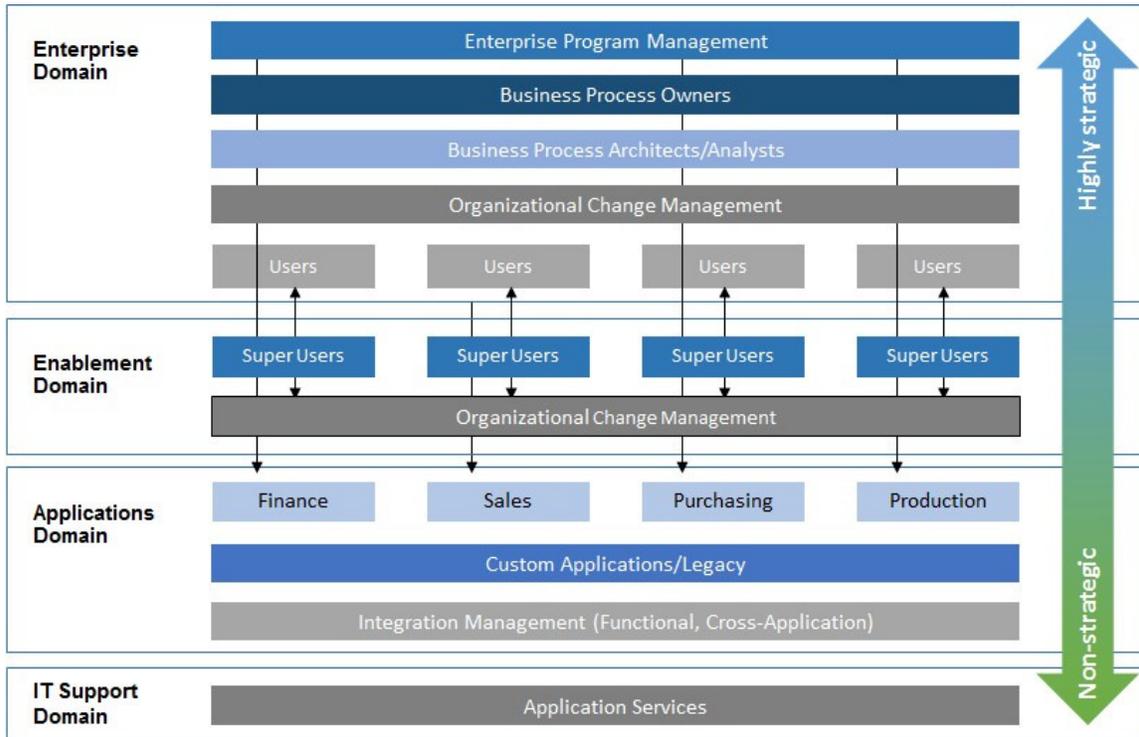
I have also come across a high number of clients who, attempting to build a center of excellence, have kicked out initial suppliers because their approach was too IT-centric.

In a wonderful article by Jim Shepherd of Gartner, *The "Digital Natives" Are Restless: The Impending Revolt Against the IT Nanny State*, he writes:

“Gartner has seen a steady increase in the percentage of IT spending that’s directly funded by user departments, rather than the corporate IT budget....I’m regularly hearing middle managers and even senior executives complaining bitterly about IT departments that are so focused on the global rollout of some monolithic solution that they have no time for new and innovative technologies that could have an immediate impact on the business. They’re fed up with IT’s refusal to acknowledge the technical sophistication of today’s average user, most of whom have spent their lives surrounded by complex hardware and software. They regularly purchase, deploy and manage a wide variety of computing and communications technology in their personal lives, but at work, they have to call a “professional” if they want to change their screen saver.”

This all suggests that a dramatic change in process is overdue for clients with SAP. IT predominance is the bottom of the peach basket. Time to cut it out and get business fully into play.

The best way to do so is to establish and sustain a business-led Center of Excellence that features continuous business process improvement.



Helping clients to move into a business realm of SAP is going to take a greater effort on the part of the entire eco-system, including ASUG, SAP services, consulting partners, and industry analysts. This does not have to occur at the cost of continued applications excellence but we do need to stop tinkering with the SAP applications engine at the cost of filling business needs.

It must not go unsaid that such a shift means that business must become more involved and more accountable. In a proper center of excellence, the key position is that of business process owner, with the accent on ownership. Without this, your center of excellence will simply be another center of mediocrity.

There are a host of best practices in this regard, most of them fully explored in *The SAP Green Book, Thrive After Go-Live*. However, I learned one of the very best practices from a client since the second printing of that book. Not only did the client describe to me his fully business-centric center of excellence, he added that working in the center of excellence for two to three years *was deemed a required stepping-stone for anyone destined for senior leadership*. "Center of excellence experience is viewed as being at the heart of all we do and are."

Swish.

Michael Doane is a leading authority on enterprise applications, Mr. Doane has forty years of business and information systems experience, including twenty-eight as a consultant and industry analyst. He advises clients on strategies, implementation and integration, service provider selection and management, and best practices and methods for deriving value from enterprise applications investments.

In addition to prior roles as a practice lead at Grant Thornton and The Consulting Alliance, Mr. Doane has directed several major consulting engagements for large systems integrators, most notably in financials and logistics, in North America, Europe, and Asia. Prior to entering the world of consulting, he was the European IS director for the Plessey Company Ltd. and for Ferry Peter, a division of Wiggins Teape.

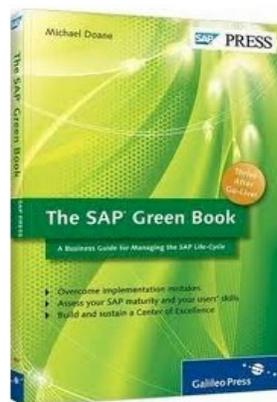
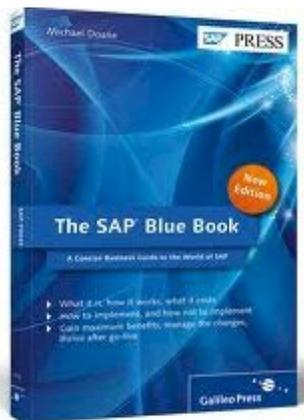
From 2001 to mid-2005, he was an industry analyst with META Group where he created and led the Professional Services Strategies group and was a contributing member of the Enterprise Applications Strategies group. He is widely published (including five books on SAP) and has led more than seventy executive seminars on enterprise applications strategies and best practices.

Mr. Doane is the author of *The SAP Blue Book, a Concise Business Guide to the World of SAP*, and *The SAP Green Book, A Business Guide to Managing the SAP Lifecycle*. He has led numerous executive seminars in the U.S. and Europe on the subjects of implementation best practices, return on information systems investments, and application lifecycle management.

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Both books are available through SAP Press at www.sap-press.com

" We've had plenty of great advice on how to get the most out of our SAP solution since Go Live, a lot of which unfortunately got lost in the noise and sheer volume of ideas. *The SAP Green Book, Thrive After Go-Live* clearly distilled the most important principles and brought them to life. It's helped clarify a number of areas and simplified the roadmap for our journey. A must read for all CIO's using SAP. "

Chris Barendregt, Chief Information Officer, Fonterra