



X Marks the Spot

How to Get Past the Insanity of
Business and IT “Alignment” and Move
to a Valid Business and IT Dynamic

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X Marks the Spot: Business Process eXpertise

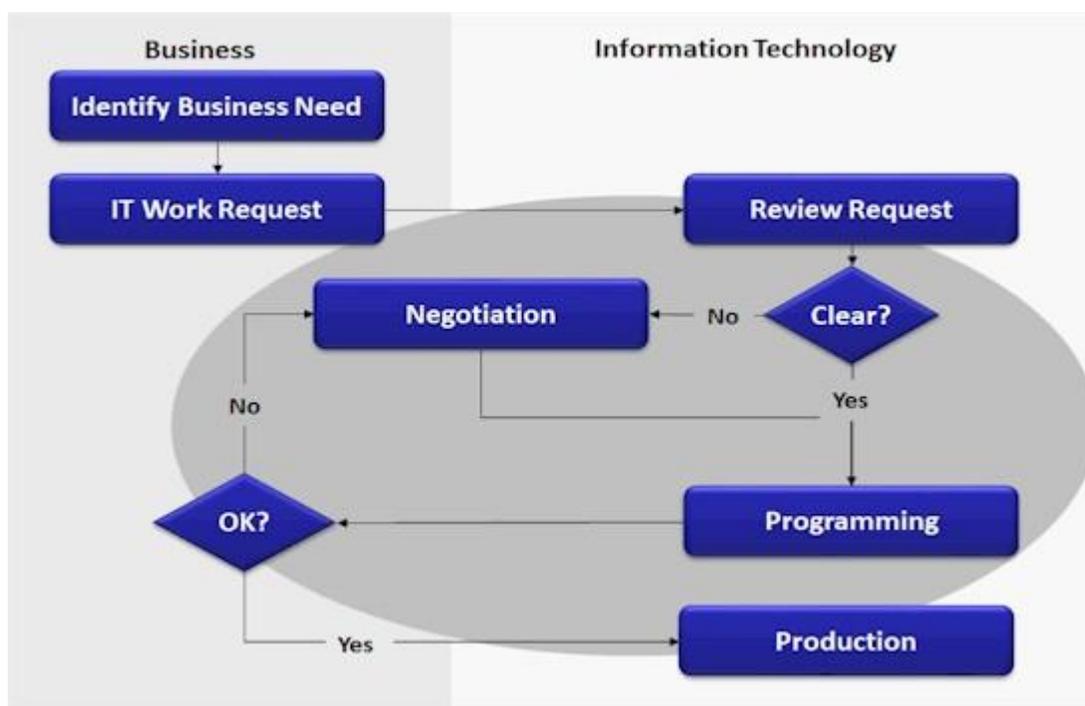
How to Get past the Insanity of Business and IT “Alignment” and Move to a Valid Business and IT Dynamic

Stop Looking for Business and IT Alignment. It Won't Help.

One of the greatest impediments to success with SAP is the inability of business and IT to truly “align”.

If your business is still going through the cycle of presentation-clarification-review-development-revision-review-production, you are suffering a huge loss of time and an equally huge level of professional frustration on both the business side and the IT side.

At fault is a back and forth process that turns a business desire for a horse into an IT production of a cow:



The negotiation not only slows down business process improvements, it also is the primary source of friction between two groups with distinctly different world views.

Most firms have business analysts or equivalent and these people are the ones who find themselves working between business stakeholders or process owners and SAP applications people and in these interactions there is a form of translation that occurs in which business concepts are applied through configuration and/or ABAP customization and/or third party bolt-ons.

The Italians have a phrase “traduttore, traditore,” which means “to translate is to betray” and this is what too often happens between business analysts and SAP configurators. The sense of betrayal on the part of business and the parallel sense of being misled on the part of technical staff is the single most tangible source of friction between business and IT.

IT has one role and one role only: to provide business the means to perpetually improve measurable business results by enabling improved business processes. So why has this relationship been seen as a partnership?

The nexus point of negotiation is frequently a business analyst and a configuration specialist whose activity resembles that of a pianist sharing the stool with a conductor. The “conductor” has business process knowledge and can “compose”. The “pianist” has configuration skills and can “play”. What we need are more composer/players and a vast reduction of negotiation.

Beyond “Hyphenates”: Business Process eXperts

When learning the SAP alphabet, clients quickly become familiar with the shorthand for the various modules: FI, CO, SD, MM, PP, et al. From the 1992 announcement of R/3 to the present, these same two-letter acronyms have been used as shorthand definitions for project and support staff assigned to the applications. With time, consultants and in-house staff turned into hyphenates as FI (Financials) specialists also knew CO (Controlling) to become FI-CO; in similar fashion, many SD (Sales & Distribution) also became familiar with MM (Materials Management) to become SD-MM.

While such wingspan has for years been commendable, we are now in a mature phase with SAP such that “hyphenate staff” is sooo yester-millennium.

In recent years, when speaking to an SAP audience, I often ask: “Raise your hand if you have someone in your firm who has been configuring SD-MM for ten years or more.”

An unsurprising number of hands are raised.

I follow with: “Don’t you ever think of saying, ‘Hey, after all these years don’t you suppose you could stretch your skills to include PP? Then you could configure an entire business process.’”

Laughter inevitably ensues.

Jon Reed has been advising SAP/ERP consultants since 1994 (www.jonerp.com) and is a certified SAP mentor for BPX (business process expertise). He finds that the traditional “module consultant” is more and more required to move past modules and expand into full-blown process consulting.

Jon and I agree that firms should blur (if not eliminate) the skills gaps that characterize this longstanding nightmare of a business/IT relationship.

“In the past,” Jon points out, “it was sufficient for a consultant to be a hyphenate: FI-CO, SD-MM, MM-PP. Consultants, both internal and external, are increasingly required to stretch their knowledge not only in terms of a horizontal business process but also in regard to related business measurements at the KPI level.”

We agree that traditional ‘hyphenates’ still have value, especially if they can combine SAP technical skills with strong consulting bones and the requisite business knowledge. We also agree that an individual with a mastery of the Orders to Cash business process, combined with experience in configuring the modules that support that process, is worth gold.

Jon adds, “Speaking of Business Process eXperts (or BPXers as they are often referred to in an SAP context), it's important to understand that "BPX" is not just a vision of where the SAP functional skill set is headed. It's a recognition that IT and business are becoming increasingly intertwined, and the best SAP professionals - the ones your company wants to keep on the softball team - are those chameleons who can walk across the aisle with comfort and talk business or "tech speak" as needed.” BPXers fall into the crucial realm of business process owners and applications configuration, where business results are directly driven. The old business-asks-IT dynamic is obsolete.

As Jon Reed concludes, “The SAP skills world of the future is a techno-functional convergence, where suits are sometimes geeks and geeks sometimes wear the suits.”

If you already have a configuration team of SD-MM-PP, you have the raw material for an orders-to-cash BPX team. MM with a dose of FI can cover procure-to-pay. To get there, you have a horizontal challenge and a vertical challenge:

Horizontal: Stretch the SAP skills through training and exposure to the SAP Community Network (et al)

Vertical: Deepen the business skills through increased contact with business process owners/analysts and super users.

As you mature your SAP, the accent should increasingly be on the business end. In shorthand terms, your applications staff should become a mirror image of your business process ownership except that it will possess the requisite SAP skills and still have a foot in traditional IT.

Evolving from a “hyphenate” environment to a BPX environment cannot happen overnight or without resistance from application specialists who are content to master a narrow environment. This evolution will occur with greater efficiency if your firm has at least a functional version of a Center of Excellence that is business-centric. As you continue to erode the wall between business and IT (that dotted line in the preceding chart), your applications consulting staff will quite naturally move more confidently through the business aspects, supported by both the business process owners and the super users.

Jon Reed provides the following summary of BPX skills:

"Soft skills": Soft skills is really a cliché; it takes real work to get at the specifics of why soft skills matter. I think of soft skills as the ability to mix as effectively in the plant break room as the corporate boardroom. We don't all need to be able to get in front of the dreaded "white board," but we do need to be able to get across the business case for what we are currently doing. Another misconception about

"soft skills" is that you are stuck with whatever skills you have in that area. That's not the case. There are many ways to improve soft skills, whether it is PowerPoint training, Toastmasters, or even a formal MBA program. It all depends on the specific skills that need to be improved.

Industry know-how: Increasingly, SAP professionals are expected to bring "industry best practice" knowledge to the table, and this will certainly apply to the BPX skill set of the future. Even technical SAP professionals can add value to their skills by understanding the specifics of their industry, such as knowing the keys to successful development on retail projects. Knowledge of SAP's own Industry Solution functionality can play a role here as well.

Knowledge of the end-to-end business processes that relate to your SAP skills focus: While it remains important to have a focused SAP skill set, there is no question that the "big picture" knowledge needed around that skill set continues to grow. Traditionally, many SAP professionals functioned in "silos" such as HR or Financials. Increasingly, SAP customers are approaching ERP in terms of end-to-end business processes such as order-to-cash, procure-to-pay, and the like. Enterprise trends such as information lifecycle management and product lifecycle management also indicate that we need to understand how our skills focus fits into a bigger picture.

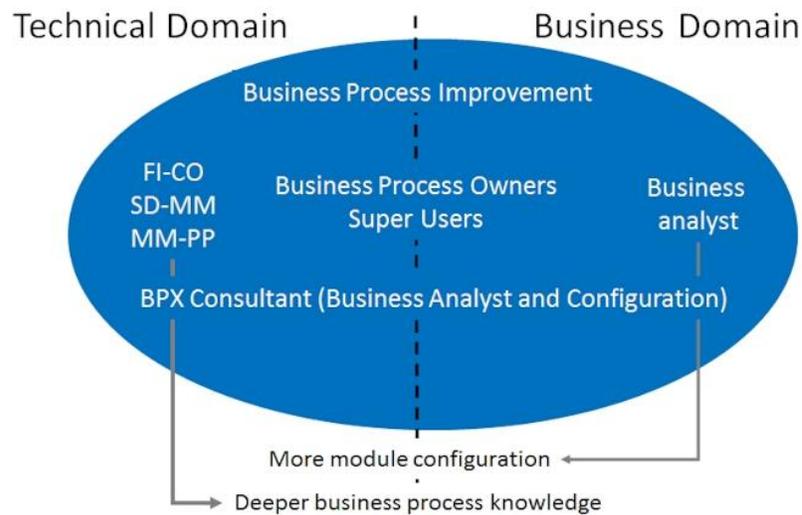
Ability to work as the "liaison" or "missing link" with functional and/or technical teams from the opposite side of the aisle: It's no accident that the phrase "become a marriage counselor between Business and IT," first used on the SAP Community Network by Denis Browne, is often brought up in the context of BPX skills and presentations. The first chapter of The SAP Blue Book (www.sap-press.com) "SAP Marital Counseling" echoes this sentiment.

Beyond the skills listed here by Jon, your newly-minted BPXers should also be moving down the path of Business Process Modeling (BPM).

In past years, clients have extensively used simple tools such as Visio rather than extremely sophisticated tools such as the ARIS toolset. It is understandable that clients would use Visio during an implementation project as the learning curve for ARIS is quite steep. I would venture to say that over the long haul after go-live, a client should be prepared to step up to something more sophisticated than Visio. Having said that, the important step is to get the BPXers and the Business Process Owners into the same room. After such a momentous accomplishment, I'd be happy if they deployed Etch-a-Sketch as the business process modeler.

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Moving your applications staff into BPX mode will do wonders in the never-ending quest for business and IT alignment by providing faster results when improving business processes and by bringing SAP that much closer to the business heartbeat.



In short, from the IT/SAP direction:

Stretch a configuration specialist to include up to three modules that may embrace most or all of a given business process while also endowing the specialist with business process management skills.

Or from the business analyst direction:

Teach configuration skills to the business analyst. (Psst: it's not all that hard.)

This is not to say that such re-orientation will completely eliminate the two-seated environment but it clearly would speed up business process improvement and vastly reduce the hostility between "business" and "IT" by blurring or eliminating a nexus point that tends to impede business evolution.

A Maturity Model for Evolving a Business User to a Business Process eXpert:

Level		SAP Configuration	End-To-End Process Knowledge	Cultural Change Management	Process Modeling & Visual Development
1	SAP Business User	Headed towards SAP "speciality" - (HR, Finance, Logistics, CRM, SCM)	Focus more on specific area of SAP (eg AR/AP/GL) while mastering role in fulfilling underlying business process	Can relate to other business users how to adapt to change and get the most out of SAP features and functions	Can look at basic business process model flows without eyes glazing over
2	SAP Super User	Learning some basics of SAP config in their "speciality" - (HR, Finance, Logistics, CRM, SCM)	Has broader functional focus (example FI + CO) and capable of describing the complete business process in which they participate	Becomes "go to" person on user team for particular functional area. Has a liaison role with the configuration team	Can model a string of basic business functions (a sub-process) in Visio (or equivalent)
3	SAP Functional Specialist	Competent in an SAP configuration specialty e.g. HR, Finance, Logistics, CRM, SCM	Balancing mastery of SAP config with work with pursuit of end-to-end process know-how in major process (order to cash, procure to pay, etc)	Works not only on configuration but on entire implementation lifecycle including end-user training, knowledge transfer, etc	With Visio (or equivalent) can model an advanced business process that their organization uses (order-to-cash, procure-to-pay)
4	SAP Integration Specialist	Has a fundamental understanding of the key integration points between configuration specialty and related areas	Combines functional config with ability to work with cross-functional teams across SAP modules in process focus area (order to cash, procure to pay)	Moves beyond implementation lifecycle in chosen focus area (HR, Logistics, Finance) to develop broad SAP user optimization plans across modules	Has spent time in other SAP modeling environments such as NetWeaver BPM and/or IDS Enterprise Modeling
5	SAP Process Expert	Complements speciality config knowledge with broad know-how in SAP functional areas and integration points across end-to-end process focus	Has end-to-end process expertise and makes improvements based on KPI level performance tracking and targeting	Is able to develop educational curriculum that presents SAP in end-to-end process context with role-specific information for users	Knows how to model process in NetWeaver BPM and/or other "Visual development" environments Can talk intelligently with SAP technical architects about mapping those models to SAP technology

There is no time-table for this model as we are aware that each individual will require a different curriculum and set of experiences and opportunities.

The first step, moving from a business user to a super user requires an individual to step into the community of like users and begin to lead them based upon a) a mastery of relevant SAP functions and b) a full understanding of the business sub-process being fulfilled with SAP applications software. Firms that do not have a properly functioning super user network will be hamstrung.

Moving from a super user to a full-blown functional specialist will require formal configuration training and an expansion of business process analytical scope to embrace an entire business process.

The next step, to integration specialist, involves learning how to help evolve a business process as well as to deploy business process management tools. With this expanded knowledge, the individual will also be better positioned to relate to people at higher business levels, including business process owners and business analysts.

The ultimate is for this individual to directly participate in business process re-design as well to directly participate in a large portion of the resulting configuration work. While it is doubtful that any individual will be fully capable of all the configuration (and possibly ABAP) required, it is highly probable that an individual can be capable of *most* of such work.

Further, even if an individual were to rise to the neighborhood of BPX without adding configuration skills, he/she would still be a very effective business analyst due to the experiences of working as a super user as well as providing bi-directional knowledge transfer.

A Maturity Model for Evolving a Configuration Specialist to a Business Process eXpert:

Level		SAP Configuration	End-To-End Process Knowledge	Cultural Change Management	Process Modeling and Visual Development
1	SAP Functional Configurator	Solid background in an SAP module speciality, preferably as a 'hyphenate' (SD-MM, MM-PP)	Balancing mastery of SAP config with work with pursuit of end-to-end process know-how in major SAP project (order to cash, procure to pay, etc)	Works not only on configuration but on entire implementation lifecycle including end-user training, knowledge transfer, etc	Can model a basic business function in Visio (processing an invoice, issuing a shipping receipt)
2	SAP Business Process Configurator	Capable of configuring a large majority or all functions of a major business process	Has broader functional focus (example SD + MM) but also studying touch points between SD/MM and related areas such as PP	Is aware of the effects of system changes upon the relevant end user population and their immediate supervisors	Can model an advanced business process in Visio that their organization uses (order to cash, procure to pay)
3	SAP Integration Specialist	Needs to understand the key integration points between config speciality and related areas	Combines functional config with ability to work with cross-functional teams across SAP modules in process focus area (order to cash, procure to pay)	Moves beyond implementation lifecycle in chosen focus area (HR, Logistics, Finance) to develop broad SAP user optimization plans across modules	Has spent time in other SAP modeling environments such as NetWeaver BPM and/or IDS Enterprise Modeling
4	SAP Business Process Modeler	Capable of suggesting configuration and/or functional changes to a business process owner	Has a strong understanding of the relevant business process from both managerial (KPI) and end user (usability) points of view	Participates in change management communications planning and implementation	Can model variant processes with comparative to-be benefits scenarios
5	SAP Process Expert	Complements speciality config knowledge with broad know-how in SAP functional areas and integration points across end-to-end process focus	Has end-to-end process expertise and deploys BI to track KPI performance and guide process improvements	Able to develop educational curriculum that presents SAP in end-to-end process context with role-specific information for users	Can model process in NetWeaver BPM and/or other "Visual development" environments and talk intelligently with SAP technical architects about mapping those models to SAP technology

Anyone who is a "hyphenate" (i.e. skilled in more than one module) and/or has some business process background will have a distinct advantage from the get-go.

The over-all goal is to stretch the module wingspan to at least approach spanning a full business process.

For example, a fairly typical Orders to Cash process will break down thusly:

Module	Function
FI	Customer Master File
SD	Pricing
	Sales order entry – order
MM	Materials purchase request
	Purchase approval
	Stock receipt
PP	Production planning
	Production (itself a major business
	Packing & shipping
FI	Invoicing
	Payment posting
	Payment posting

While we would not expect anyone to master all four of these modules, we have seen that SD-MM-PP can be accomplished.

The maturity also points to evolving from business process knowledge to the ability to identify (through KPI analysis) and design (with BPM assets) business process improvements.

BPX and Career Path Planning

Both of these maturity models should be used as a basis for career path planning. Many single module and hyphenate configuration specialists worry (and rightly so) that their skills may be commoditized and their jobs thus put at risk. Others have low morale from doing the same job for a long period of time.

From the business user end, we have already charted an important lift in morale when a user becomes a super user. It stands to reason that three other potential levels of job evolution will do all the more toward resource retention and motivation.

(For more on this subject, follow this link to download a copy of “Drivers at Work: Building an Effective and Sustainable Super User Network” http://www.michaeldoane.com/Research_White_Papers.html)

In the end, what we recommend is an end to the categorization of skills as “business” or “IT” through a recognition that it’s all about business and “IT” is merely another provider of business assets, just like a stationer, a phone company, or an airline, none of which need to be “aligned”. If your firm views business as Venus and IT as Mars, it’s time to return to planet Earth.

Postscript 1: The initial version of these maturity models was the work of the estimable Jon Reed (www.jonerp.com). Jon then collaborated with me to refine them and a review/critique was provided by our friend, Jim Link.

Postscript 2: For a quick understanding of how wrongheaded notions of business and IT “alignment” have been through the years, Google “business and IT alignment”, then go to Images. You will see a pantheon of horrid charts that collectively constitute the answer to: why can’t business and IT successfully align?