

# Integrated Service Delivery at SAP Consulting

From Labour Arbitrage to Process Driven Component Delivery



## 3. Expertenforum ISF

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Global Head of SAP Global Delivery

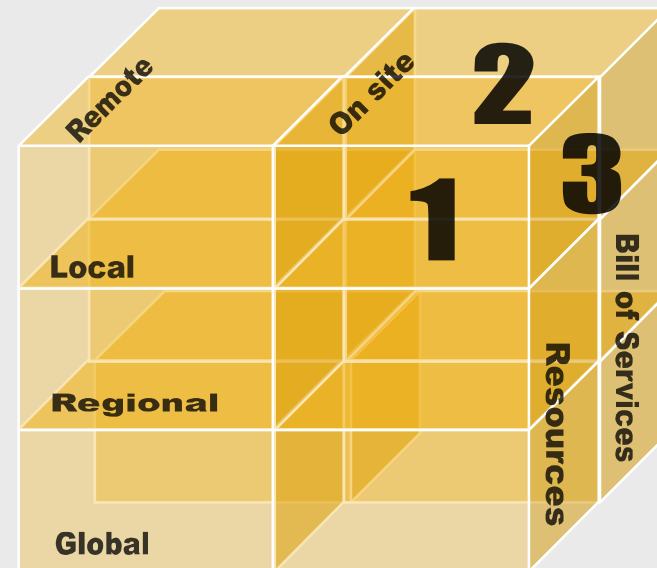
CeBIT, March 8, 2008

# Introduction

## Integrated Service Delivery



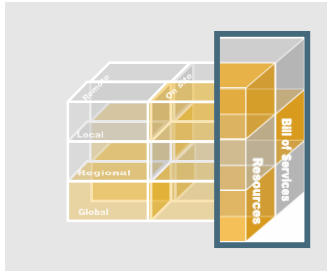
- 1 ■ Combination of delivery of the following in combination
  - Local consulting
  - Regional
  - Global (Global Delivery, service factory,..)
- 2 ■ Combination of
  - Remote
  - On site
- 3 ■ Selling 'Bill of Service' vs. resources
  - Reusing productized services
  - Agreed results, fixed price, fixed time



If all bullet points are met then it is Integrated Service Delivery in its purest form.

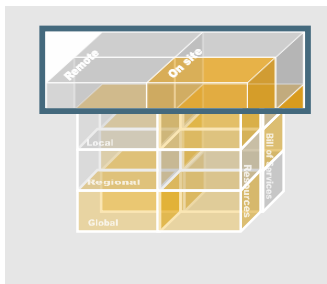
Integrated Service Delivery is the ability to “Slice and Dice” a project into service components and deliver several cubicles in combination

# Integrated Service Delivery creates more customer value



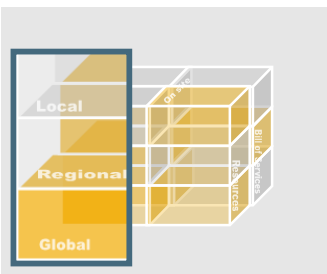
## Productized Services vs. Resources

- Client achieves faster time to value
- Professional, experienced repeatable and consistent quality of service delivery
- Higher efficiency during project lifecycle resulting in lower costs/higher profitability
- Continuous reusability of methods and experience



## On site vs. Remote Delivery

- Enabling 24/7 service delivery and reduced implementation time
- Lower cost of implementation – e.g. less travel expenses
- Utilization improvements – ability to utilize capacity due to multi-project assignments
- Further scale up the benefit from global and highly efficient delivery units within Field Services



## Global / Regional / Local

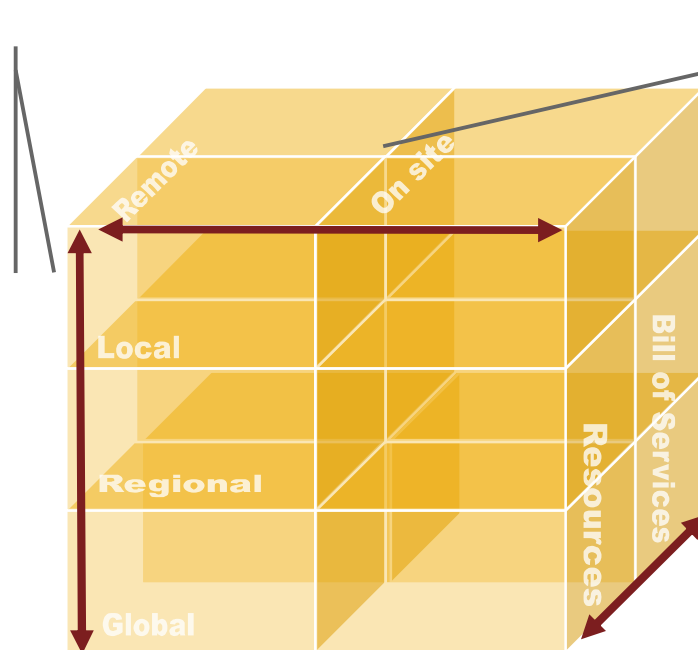
- Increase quality and decrease risk by leveraging the most appropriate skills and experiences
- Bring both new and premium industry and solution knowledge to the clients leveraging Center of Expertise/Expertise Hubs / National Competence Centers etc.
- Providing the access to the capacity of 10.000+ resources to match the need of global clients and avoiding postponement of activities
- Make use of the most efficient resources across all layers (considering cost/skill ratio)

# Value Proposition of I<sup>3</sup>SD



*"With Integrated Service Delivery effectively embedded in a project proposal, the total project cost and the time to value is reduced – resulting in more value to our customers."*

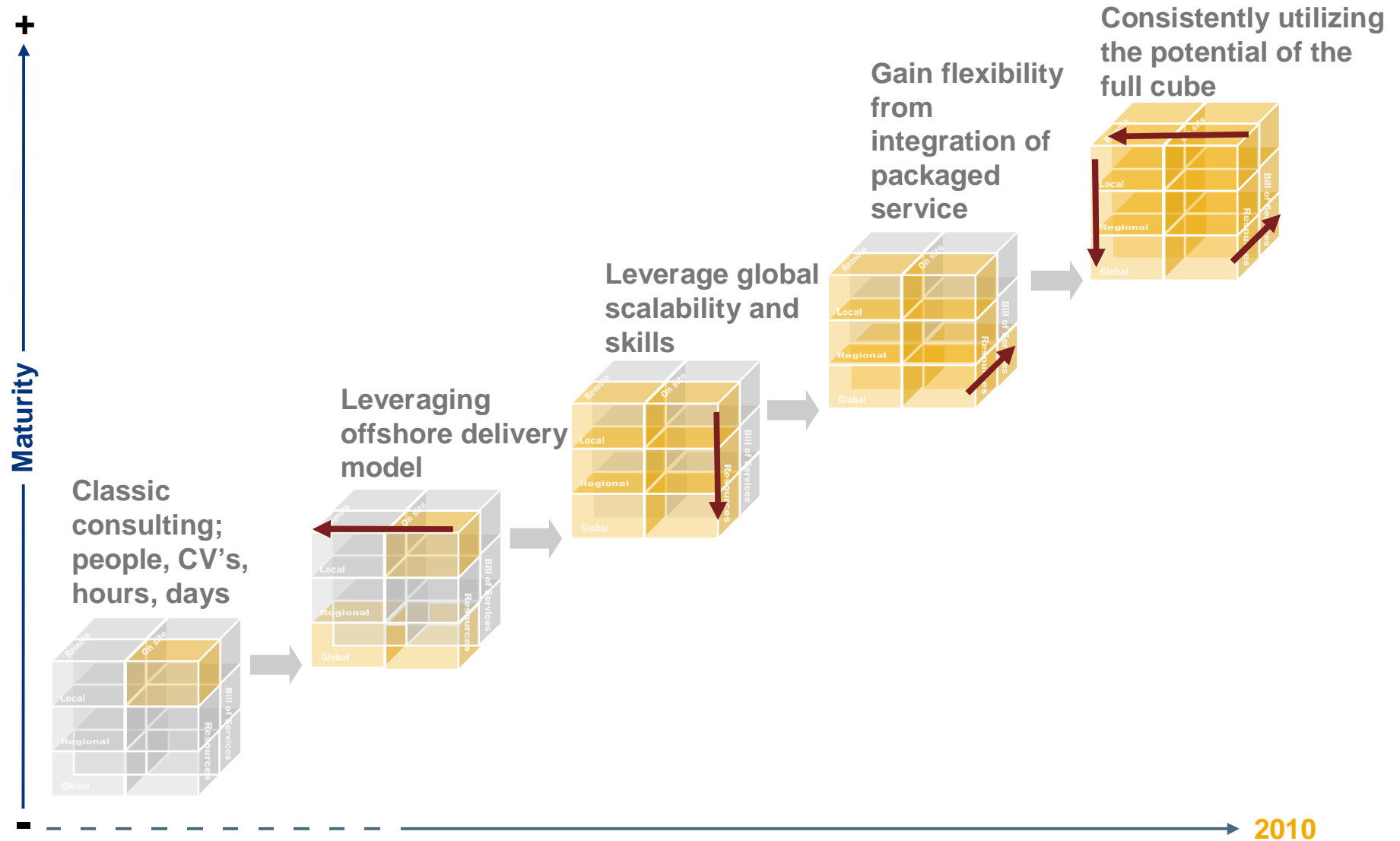
- Scalability
- Capacity
- Flexibility
- Premium Skills



- 24/7 potential
- Less travel cost and time
- Higher utilization

- Reuse
- Higher speed
- Higher quality
- Reduction of risk
- Less costs

# We will mature from "classic" service delivery to Integrated Service Delivery



## Key Programs

**Well defined and executed initiatives to prepare key elements of to-be and initiate/drive/safeguard the transformation of FS**

- Knowledge Management
- Integrated Service Delivery
- BPM
- E.PACE
- CoSo
- BRR
- etc.



## Global Delivery

**Capable GDC organization with proven track record**

- 3000+ engagement to date, with size up to 35.000 days
- 1000+ own consultants plus 9500+ off-shore partner consultants to be leveraged

## FS Hubs

**Cross-MU/regional structure enabling leverage of resources around the world and developing service portfolio on focus industries and solutions**

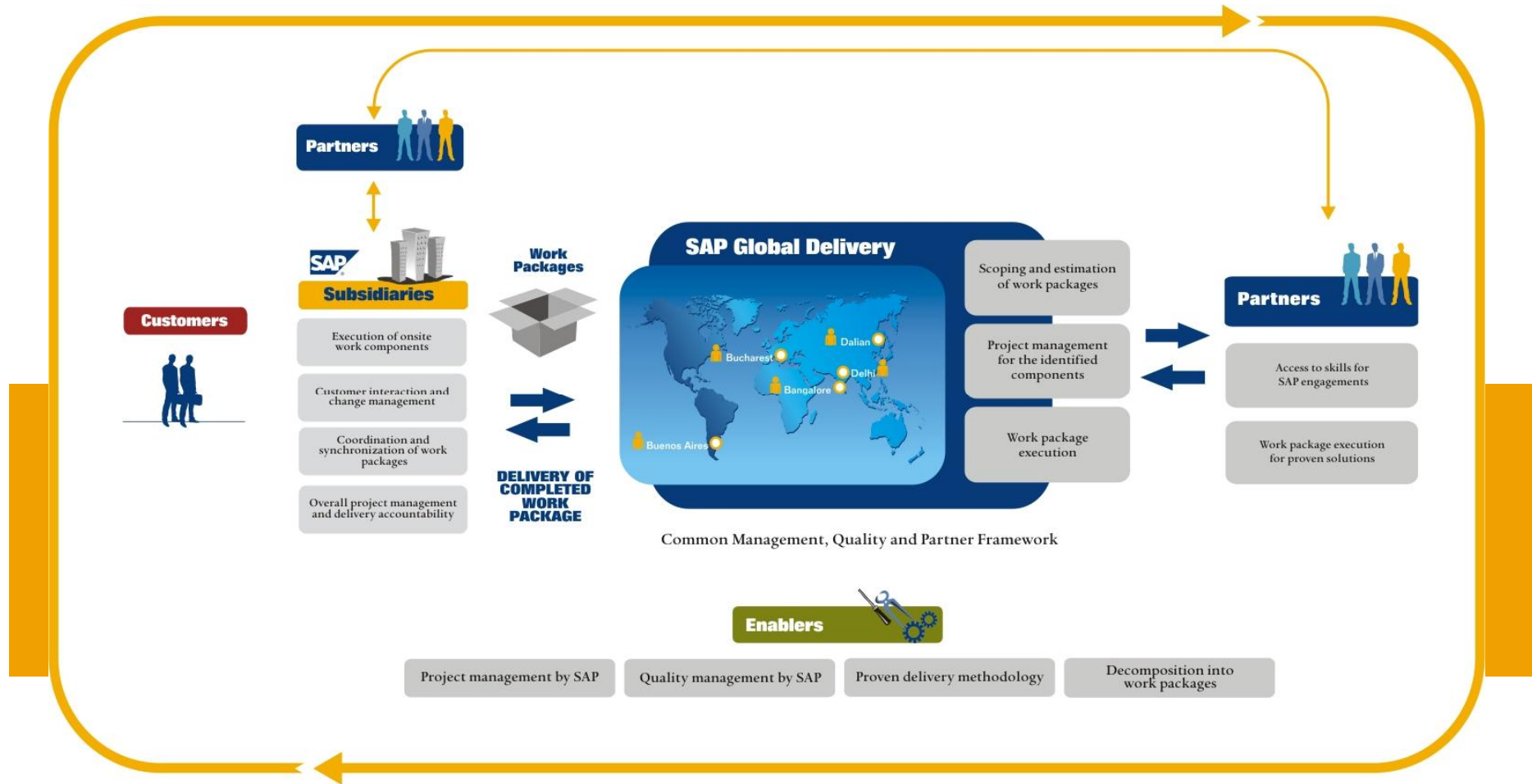
## Service Productization

**Well established approach to standardization and reuse of content and standardization of service components**

# Leverage intelligently a knowledge pool - A unique approach



# SAP Global Delivery model - A unique approach



# Next generation delivery goes beyond technical services



## TODAY

Involvement of remote/near-shore/offshore mainly to **cover technical elements of a project**

**Upgrade Services - TransCanada, Canada**

**US Power / Energy Company**

TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure. TransCanada's network of approximately 41,000 kilometres (25,500 miles) of pipeline transports the majority of Western Canada's natural gas production to key Canadian and U.S. markets. A growing independent power producer, TransCanada owns, or has interests in, approximately 6,700 megawatts of power generation in Canada and the United States.

**Delivery Model Characteristics**

- Upgrade from SAP 4.7 to ERP 2005 (ECC 6.0)
- GD offered a "Productized", Technical Upgrade Service
  - Conducted Upgrade Assessment (7 Day Productized Service)
  - Included Solution Manager Install Productized Service
  - Executed Upgrade as Productized Service across DEV, QAS and PRD
  - Achieved project on schedule and within budgeted effort
- Total Project size 165 person days including Post Go-live support by Global Delivery.

**Key Benefits of using Global Delivery**

- Fixed cost / Fixed Effort on overall project
- Predictable / repeatable methodology
- Reduced system administration and management overheads
- Availability of specialized skills

**Project Scope and Timelines**

- Technical Upgrade Assessment
- Technical Upgrade
- Solution Manager Install
- SPAU modifications
- Custom Object modifications
- 10 Weeks end to end duration
- 165 person days of total effort

**Testimonials:**

- "Team congratulations!! Outstanding news. This is a great example of using offshore as well."
- Darwin Saumur, SAP Senior Vice President Professional Services, Canada
- "Great job ..... Congratulations to everyone !!"
- Ket Moier, Consulting Development Director, SAP Canada Inc.

THE BEST-RUN BUSINESSES RUN SAP

- **Typical case:** Global Delivery delivers **Technical Upgrade Assessments, Technical Upgrades, Solution Manager Installation, Custom Object modifications, etc.**

## TOMORROW

Effective orchestration of integrated service delivery to **create superior business value for customers**

Typical case:

- **High-quality Account Mgt, experienced with integrated service delivery**
- **Bid Experts prepare the "perfect integrated bid"**
- **Knowledge Mgt provides access to existing services, knowledge and allows storage of lessons learned for future use**
- **Hubs add special expertise, PLAN services and task force support to customer facing activities**
- **Well-defined project elements (service components) – technical as well as business – are delivered out of regional Solution Offices and Global Delivery Centers remotely from across the world**
- **Productized Services are effectively leveraged**
- **Local expertise, local language and cultural understanding**

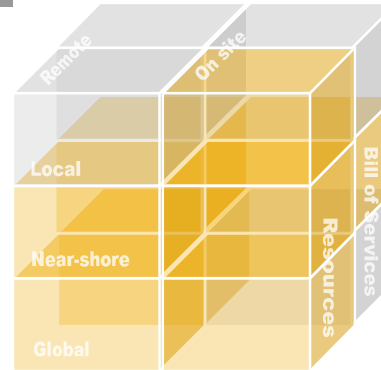


# Case Study: Integrated Service Delivery at a Local Account



## DELIVERY MODEL CHARACTERISTICS

- **1 Dimension of Cube:**
  - Local (PM, Solution Architects and Solution Consultants from SAP Subsidiary)
  - Regional (Solution Consultants from EMEA and partner)
  - Global (PM and Developers from GD)
- **2 Dimension of Cube:**
  - Onsite (PM, Solution Architects, Solution Consultants, Developers)
  - Remote (PM and Developers from GD)
- **3 Dimension of Cube:**
  - BOS (BI WebCockpit from SAP Germany, BI Implementation from GD, Data conversion from the SLO Group)
  - Resources (Fixed priced project and T&M for change Requests)
- Safeguarding from Support
- Positioning of Productivity Pack (Extended version of InfoPack)



## PROJECT SCOPE AND TIMELINES

- Functional scope covers Sales & CRM, Candidate & associate management, Order management, Order Management, Time capture and Invoicing & cash collection
- System Components includes SAP CRM Sales, SAP ERP SD, HCM and CS modules, E-recruiting, CRM Activity Management, CATS, Travel Management, Business Intelligence, Enterprise Portal
- Go-live for pilot country is planned to be end Feb. 2008
- Three rollouts will follow subsequently

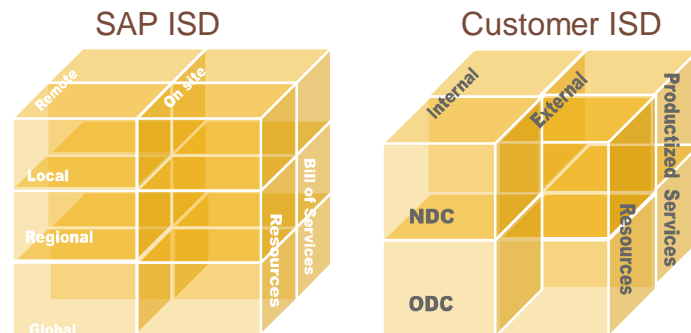
## KEY BENEFITS OF USING THE ISD MODEL

- Significantly lowered TCO
- Reduce project complexity
- Accelerate implementation
- Keep customer within Best Practices
- High quality of documentation
- Clear cuts between what is in or out of scope

“Price and ability to develop knowledge within the organization have been the main drivers for choosing SAP as implementation partner ”

CIO

# Strategic Partnership with Global Account based on the concepts of I<sup>3</sup>SD



## GIS Facts

- Responsibility: Application Management and Support for all LOBs
- Presence: Global
- HC: 800+

## Customer Challenges

- Can not fulfill the demand from Business and receive increasing cost pressure
- Lack a strategy which increase focus on reusability, lowering costs and enabling scalability
- C-level management pressure to develop innovation within Delivery Model, Sourcing strategy, location strategy and Leadership

## Activities

- Analysis of the GIS investment portfolio
- Analysis of the process and application landscape
- Pain point analysis
- Gap analysis

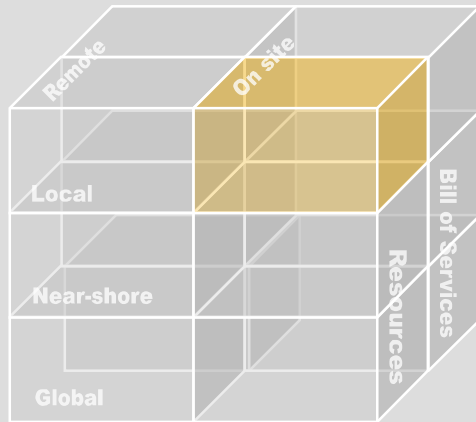
## Objectives

- Define the strategic fit of Integrated Service Delivery
- Conduct a gap analysis and determine required work streams and level of effort
- Deliver components for RFP

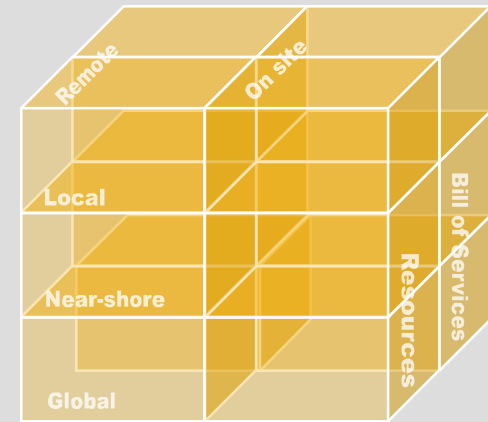
## Results

- GIS vision and strategic objectives and Senior Management buy in to ISD
- Definition of ISD scope
- Definition of ISD cube
- Input to Roadmap for ISD

# There is a need for change towards an Integrated Service Delivery Model



**Transforming the Business Model**



## Current delivery model

- Primarily on site
- Local consulting
- Bill of Resources

## Business model aspects must be addressed

- Business Processes, methods and supporting tools
- People and skills
- Organization

## ISD in the purest form 2010

- Combining BOS and resources
- Combining all organizational layers
- Combining remote and on site

# We are stepping into a new era of Service Delivery



## Integrating Bill of Services

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- Bill of services or "selling agreed deliverables" is becoming a critical element in delivery models for leveraging reusability and standardization
- Customers are demanding more innovative service delivery and will push for Bill of Services versus Bill of Resources

## Slicing and dicing customer requirements

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- New approach for breaking down customers requirements into logical service components
- Service components enables the combination of the right mix of delivery components to meet customers expectations

## Implementing seamless and integrated processes and tools support

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- Intelligent integration of work packages delivered by Hubs, Global Delivery, Custom Development etc. will be supported by seamless and integrated processes and tools
- Process re-engineering and tools development will continuously reduce TCO, improve re-use of knowledge and ensure faster time to value

# Key differences in service delivery model



**Classic Delivery Model**

**Integrated Service Delivery**

**Resource & hours**

**SELLING APPROACH**

**Agreed deliverables**

**People centric**

**DELIVERY APPROACH**

**Process centric**

**Unique customized solutions**

**SOLUTIONS**

**Standardized reused components**

**Processes scenarios and technical requirements**

**SCOPING OF CUSTOMERS REQUIREMENTS**

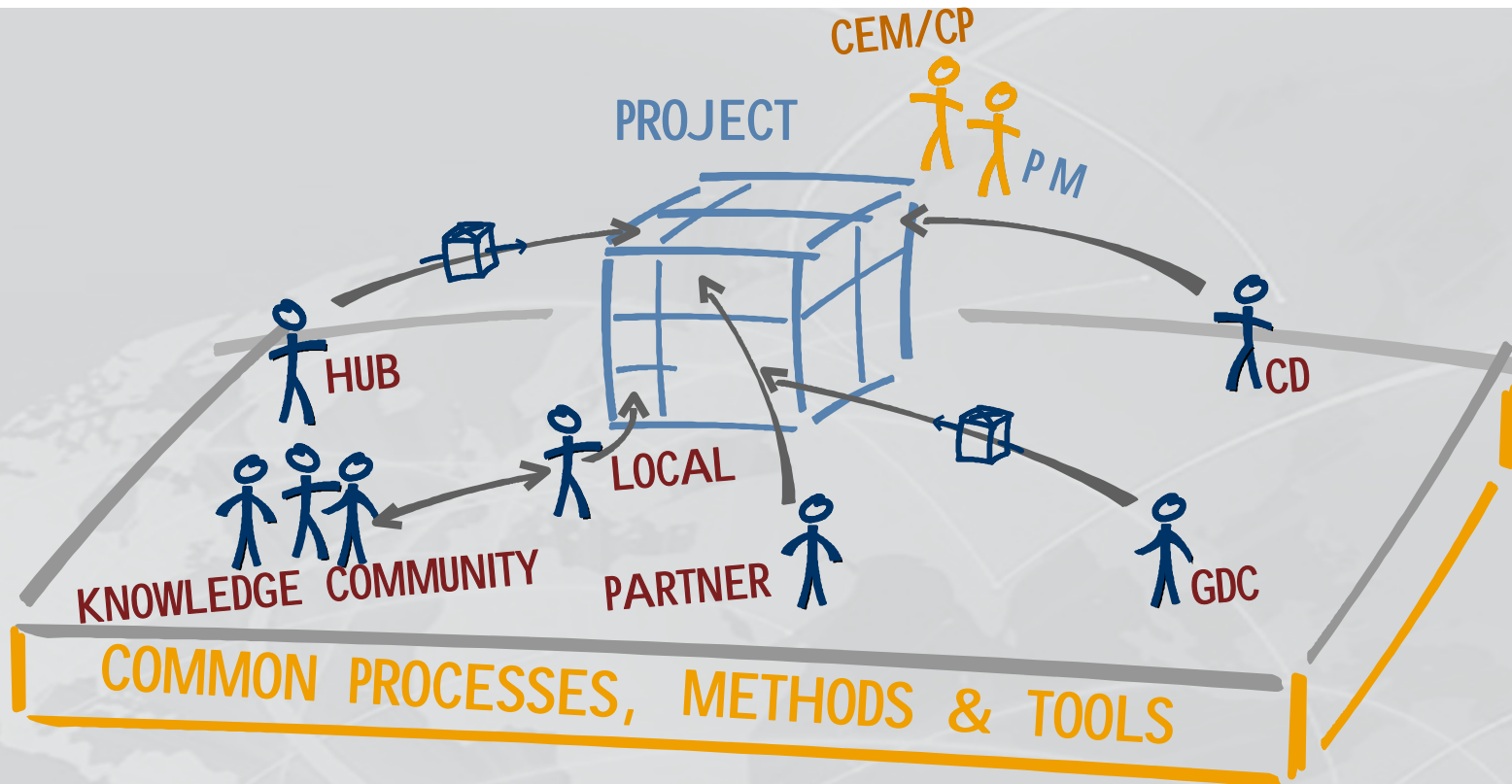
**Logical Service components**

**Onsite and remote delivery from a global resource pool**

**DELIVERY MODEL**

**Intelligent mix of service components**

# Change of Fulfillment: Integrated Service Delivery



## In a nutshell

- Integrated Service Delivery is an **innovation** of the business model of SAP Consulting ensuring **maximum customer value** through speed, reuse of knowledge, utilization of time zones and stringent processes
- Integrated Service Delivery is the **ability to "Slice and Dice"** a project into service components and **utilize all three organizational layers** to **deliver agreed results** in an **optimal mix** of **reusable productized services** and consulting to ensure quality and **lower TCO**

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