SAP IT Briefing:
Realizing the maximum business value from your SAP upgrade
By Hellmut Ometzberger, Solution Initiative Lead, CGEY,
and Jesse Deol, General Manager, North American SAP Alliance Sales and Marketing
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Hellmut Ometzberger – Solution Initiative Lead, Hellmut is a member of the CGEY SAP leadership team and is the solution lead for R/3 Enterprise based mySAP solutions. For two years, he has spearheaded the development of CGEY’s VALUEUpgrade methodology resulting in significant upgrade project wins and delivery successes. Building on the experiences and deliverables gained during the CGEY group’s most recent 70 upgrades to R/3 4.6C - as well as Hellmut’s involvement with the SAP North American R/3 Enterprise Ramp Up Team – the VALUEUpgrade methodology has recently been relaunched to support R/3 Enterprise based projects.
In his 8 years with CGEY, Hellmut has specialized in extended enterprise and business transformation solutions and has professional experience in industry and consulting focused on system integration, electronic commerce and technology architecture. He has directed teams on multi-national projects, managed multi-site engagements and as delivery manager was responsible for managing systems solutions from design through build to operate.
During pursuit and delivery start-up phases, Hellmut leads the development of business solutions and service offers around emerging adaptive ERP scenarios. A recognized SAP solution architect and technology consulting expert, Hellmut has been invited to deliver seminars on SAP and Disaster Recover as well as the value proposition of R/3 Enterprise.

Jesse Deol – Director, SAP Alliance, HP Americas supporting customers, SAP and partners in driving the development of SAP solutions resulting in innovative customer offerings, differentiated industry partnerships and most of all significant customer successes.
In his 16 years in the IT industry and 7 years with HP, Jesse has specialized in enterprise servers, enterprise software partners in ERP, B2B and eCommerce solutions and also has professional experience in sales support, customer services and sales focused on the enterprise.
Building on the lessons learned from HP’s 20,000 SAP customers worldwide, No. 1 SAP share position and HP’s extensive internal use of SAP solutions...he is representing the full breadth of HP’s portfolio of products, pre-sales competency, services and partnerships today.

Getting the most from your SAP upgrade

Hellmut Ometzberger
mySAP Solution Architect
CGE&Y

Jesse Deol
Director, SAP Alliance
HP Americas

Figure 1
OMETZBERGER: Welcome to everyone on this call on behalf of Cap Gemini Ernst &Young, and Hewlett-Packard of course. I want to start off by providing you with a brief overview of what we will cover with you today in this call. We will, first of all, take a look at why, when and with what impact you can expect to upgrade to R/3 Enterprise.

Here we’re trying to outline the key business drivers and the key business benefits to be expected from such a project. We’re then going to talk to you about potential SAP upgrade strategies and how you can go about developing the appropriate strategy, depending on your organization’s business objectives. Are you going to upgrade to R/3 Enterprise to optimize existing functionality, or is the upgrade the first step towards CRM, SCM or PLM?

I will then spend some time introducing to you the concepts and ideas behind value upgrade, a truly differentiating offering. CGEY HP have put together based on our experience in the marketplace delivering these projects to you, the SAP-using community. This is all about helping you to understand how you can increase the speed of delivery without increasing the risk of the delivery. Jesse will then take over from me and introduce to you five concepts that are key to what we in the industry call “Adaptive IT”. Adaptive IT is all about understanding how your infrastructure, technology and application investment can make you more able to adapt to the volatility in the marketplace, the product segments herein, how it can help you shift your product from a purely product focus to a customer focus and how it helps you to gain an overall competitive advantage in the marketplace.

It is fair to say that the challenging economic environment over the last couple of years has really changed the way we look at ERP, the way we assess the value of ERP and the way we think about future ERP work. Pre-2000, most of the ERP work performed was performed to reduce cycle times in production in particular. It was performed to address very specific Y2K issues and Legacy system sunset challenges.

In today’s economic environment where the market segments are heating up from the competitive perspective, customers are constantly trying to understand how they can better understand customer profitability, product profitability, product marketing margin settlements, and internal to the organization, how they can revisit the promise of reduced cycle time with some real hands-on payback to their organization. It is all about the realization that we’re spending a lot of dollars on IT, fixed dollars on IT application maintenance as well as variable dollars and that if we look under the covers, we can identify that ERP integration and the ERP variable costs of transacting using systems such as SAP, Oracle or PeopleSoft, really detract from what we need to be doing as IT organizations, which is support the emerging business models that are coming about in our organizations through helping them to adopt PLM, CRM and SCM to provide more ergonomic and personalized workspaces using the portal and knowledge management technologies.

The game really has changed. We’re now, as organizations and IT suppliers in particular within every organization, meeting to address CIO, CFO, CEO-decreed business objectives that are about product, service and volatility. All in all, we’re held responsible to reduce the cost of integration and the cost of transacting over these ERP systems and I want to show you how you can do that as part of the upgrade.

When we talk about upgrade drivers as they’re perceived in the market, we’re really talking about three key categories. There is, of course, the threat of vendor-release de-support. Now, we all know that SAP has now finalized and republished their intent to provide standard and extended standard maintenance programs for the various releases. What I’m proposing to you is that the true risk of vendor release de-support does not come from SAP, it comes from the OS hardware and database components of your solutions stack. You probably have had SAP up and running for a while now. You may have added some new functionality, but not a lot, and as a result the old release is probably going to be relatively stable and the risk of you encountering any problems that nobody else has encountered is very small. As a result, even if your release is off support, you could still query OSS and SAP for existing fixes.

Now, with the hardware operating system and database software, that is a different matter. As these components roll off the part, you do have a direct hit, potential hit, on the availability of your system, the performance of your system and your ability to maintain the system.

From a business object perspective, I’ve already outlined that the game has changed. The focus has changed. And certainly, also the IT thinking in the boardroom has changed. AMR, Gartner and IDC tell us that 52 percent of C-level individuals demand specific improvements and new functionalities to be
Getting the most from your SAP upgrade

**mySAP Upgrade**  
Business Considerations and drivers

**Strategy**  
Developing an mySAP upgrade strategy

**Value Upgrade**  
Introducing a comprehensive delivery framework

**Infrastructure**  
Five ways to build business agility and a better return on IT with HP

**Five Steps**  
Simplification, Consolidation, Migration Optimization and Accountability

Meeting Challenges of a Complex Economy

Economic Reality Demands Competitive Advantage
- Cost Reduction and Pricing/Margin Optimization
- Increase Effectiveness of Business Processes and Decision Making
- Highly Ergonomic and Personalized Workspace
- End-to-end Business Process Support
- Converging Customer and Product Strategies
- Emerging Business Models Require Constant, Innovative Process Evolution
- Proactive Collaboration Through Value
- Flexible and Universal Connectivity
delivered as part of an upgrade. Here we’re talking in particular of functionality in the financial, in the HR and in the product management space of the logistics functionality within SAP. They’re asking us to reduce the overall complexity of customer modifications and customer development by reverting to newly-released SAP functionality. Also they’re asking us to implement CRM, PLM and SCM solutions which, as I may add, do require us to rethink some of the R/3 Enterprise backbone business configurations and business processes we have put in place. As a result, we may have to reconfigure R/3 anyway to be able to adopt PLM, for example. If your material master, your material classification isn’t set up appropriately, you’ll never be able to implement PLM. That’s not to say PLM is a bad product, it is to say that the back end system that you’re operating right now doesn’t support it from a master data perspective. Equally so, certain functionality in the human capital management, in particular E-Learning and ESSM Assessment is only supported in later releases of R/3 Enterprise HR backend functionality. Again, you’ll have to move your back end forward to be able to benefit from these new solutions.

I’m not going to spend a lot of time talking about the technology cluster because that’s really what Jesse’s going to address in much greater detail in the second half of this presentation. What I would like to leave you with though is a pledge that for you to become more able and more agile and responsive to changes in the marketplace, you really should not just look at the upgrade from a software solution maintenance perspective but from a holistic IT solution maintenance perspective. Your organization probably has gone through some organizational change since they implemented SAP three to five years ago. You may have moved from profit centers to cost centers. You may have gone through a merger acquisition or a de-merger. All of that needs to be represented in an up or down scale of your overall IT solution.

If we look at the overall business objectives as they are expressed by the board room, what we can tell is that the board room is really after three concepts: Cost avoidance, i.e., how can I immediately benefit from a one-time reduction in fixed costs? Secondly, future cost avoidance and thirdly, revenue enhancements. Future cost avoidance is all about looking at your variable cost curve and how it increases as you transact more transactions or bring more customers or products on your system and lowering the steepness of that curve. Revenue enhancement is all about understanding how you can better source information, correlate between different sources of information within your R/3 system to understand how you can open up your products and services to new customer segments.

Now pure cost reduction. The one-time cost reduction which, by the way, has a drawback, which is that it overtime has diminishing returns, can be achieved through technical upgrades. Here you’re taking the assets functionality of your current release and upgrade it to the functionality of the target release which, at this point in time, should be R/3 Enterprise unless you operate an industry solution that is currently not supported by SAP at the R/3 Enterprise level. An example of that would be IS Oil. What you do is you reduce the customization complexity and reduce the number of customer development objects and you’re really trying to benefit from the increased stability of functionality
in the R/3 Enterprise core and R/3 Enterprise extension. You’re also going to look to the Web applications server to lower the overall application integration and application availability costs.

From an infrastructure perspective, you would go forward and try to consolidate instance servers and data centers where possible. As you can tell at this point, we’re not touching any functionality. We’re not introducing any improved or new functionality at all. We’re simply taking as-is to as-is and make sure that we lower the fixed costs of running our solution. The functional upgrade is really about doing that, and in addition to it, reducing future costs that we may incur. Remember the incremental variable cost steepness that I spoke to earlier on. The way we do that is we look at new functionality and improved functionality. Here, examples would be the split employee costs over multiple cost centers in HR which we always had to program for in the past, and now it’s standard R/3 functionality. In finance, we now have some single-step manual invoices that are much easier to deal with than in the past. The PM module offers some suite maintenance options that weren’t included in the earlier version. What this is all about is bringing new functionality to the system and making our employees’ lives easier using R/3 Enterprise without having to do massive BPR, Business Profits Reengineering.

From a technology perspective, what we’re trying to do is we’re also trying to make the system more useable to increase the user acceptance of the solution. We do that through the portal and through enabling users to access the wealth of knowledge that may be in an organization. You would also, at this point, reach out to some of the Netweaver, SAP Netweaver components such as the data warehouse solution, the business warehouse and Job XI infrastructure to reduce the overall collaboration and interfacing complexities of your solution.

Lastly, the strategic business improvement upgrade is really the Nirvana of upgrades. This is where we take the strategic decision throughout the enterprise that what we have has been good enough to get us to where we are today but to take us further into the future, make us more agile, more competitive, we really need to rethink how we use SAP, how we do our business processes using business process reengineering and implement SAP in conjunction

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**Upgrade Planning Workshop Creating The Roadmap**

**Objective: Evaluate the Expected Impact and ROI of R/3 Enterprise Upgrade Alternatives**

1. **Executive Level Interview (1hr)**
   - Take The Upgrade Index
   - Objective, Expectation & Goal Setting

2. **Stakeholder Upgrade Planning Workshop (1 Day)**
   - Evaluate Current and Future Position
   - Develop Future State, Identify Alternatives, Cost Benefit Analysis
   - Confirm Total Potential of Upgrade

3. **CGEY/HP Analysis & Proof of Value**
   - Benchmark Comparison
   - Benchmark Comparison For Each Alternative

4. **Select Best Fit Upgrade Alternative, Complete Project Plan / Budget**
   - Select Best Fit Alternative
   - Select Upgrade Strategy Based on High Level Benchmark, Project Plan & Budget

   **Complete Project Plan & Budget**

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**Figure 6**
with maybe a business intelligence solution or a supply chain or sourcing solution.

As you can tell, these projects have different complexities and different lengths, so one of the key questions you will have to address for yourself is, ”What is the right thing for me?” If you were to accept at this point in time that R/3 Enterprise is not a destination but a journey, what does it take for your organization to embark on that journey? What does that journey look like for your organization? How long is it, how costly is it?

One simple way of dealing with this is to undergo what we call an upgrade planning workshop. What this is about is meeting with the senior executive level sponsors in an organization to understand the key business objectives, expectations and what goals have been set for the organization to achieve over the next couple of years. You use that to create a framework within which you invite the various business IT stakeholders in the organization to come and meet with some folks from CGEY, HP and SAP and really understand what it is that they’re trying to do from the business improvement perspective and offset against that how SAP R/3 Enterprise new functionality and technology solutions can help with that change process. What then happens is the result of that workshop is taken away and run through a couple of benchmark analyses, the results of which will be four representations from CGEY and HP back to you. One, what does it cost to do a technical upgrade and what can you stand to expect from that investment? Two, what does it cost to perform a functional upgrade and what can you expect from
that investment if you prioritize certain functionality over other functionality? What would it cost, thirdly, to do a strategic business improvement upgrade and what can you expect from it? What are the risks in particular with this option? And fourthly and lastly, what would it cost and what would it mean to you if you didn’t do anything at all and waited to perform the upgrade later on?

Now you’re probably pretty skeptical about hearing me talk about return on investment and business cases and justifications. The fact of the matter is that you will not get past the approval stage for an upgrade project unless you have a solid business case in hand. And a solid business case does come with an ROI, Return On Investment, and calculation. Now return on an investment, granted, is a horse that has been beaten to death by many folks in the consulting so I’m going to keep it to a very simple proposition to you. The real return on investment of this is fully qualify-able and quantifiable. It’s taking the total benefit of the upgrade and subtracting from it the total cost of upgrading the systems.

So when we talk about the total potential of the upgrade, you will recall I said that we are taking the frame as a framework for the senior management’s business objective. For example, grow the market by x percent, increase our customer profitability by x percent, increase our customer retention by x percent. You may at this point ask, “What does that have to do with R/3 Enterprise upgrading?” Well, that’s where the potential of the upgrade comes in. If a department wants — if the sales department wants to increase the customer retention — what they need to do is likely implement some business processes and these business processes need to be supported by R/3 or the other backend systems that we’re using in the organization. So we need to ask ourselves, do we support it through R/3 or do we need R/3 plus CRM service or CRM product or CRM call center? So as you will see, the question here is all about what functionality technology do we need, how does that improve my competitive position, how do I move forward realizing it?

The second step would be to understand the total benefit of the upgrade. Again, here we’re really mapping functional and technical solutions in R/3, mySAP, URP and mySAP business solutions against what is required by the business leaders to make sure that everything works. Here we’re asking questions such as, “What is the value of prioritizing one functional area over the other?”
NetWeaver Delivers Early Upgrade Benefits

Minimize Business Disruption and End-User Impact

Early Deployment
- Focused Implementation(s)
- Project Communication/change Management
- Common Access Point, Single Sign-on

- Retiring Access to “Old” Functions As Applications Are Upgraded
- Controlled Retirement of Legacy Interfaces
- Xapps to Bridge Business Processes

Figure 10

Figure 11
At the end of the day, when we talk about the total cost of the upgrade we’re obviously talking about the hard infrastructure costs, to some extent hardened, to some extent fixed. Sorry, flexible costs of implementing the solutions from a manpower perspective, but we’re also talking about risk. We’re talking about trade-offs. Why should I do one over the other? Why should I do a technical over a functional or strategic business improvement upgrade? How does doing the upgrade impact CRM, SCM, PLM? What happens if I don’t do anything at all?

The value upgrade methodology is really unique in as much as it is a business value driven approach to upgrading R/3 Enterprise. Remember, we’ve talked to the business leaders, we’ve got their point of view and what is important from a business objective perspective. We can translate that into key performance indicators. These key performance indicators can be measured from day zero of your project through the execution of the project straight through to the Go-Live and post-Go-Live phase. What we do to enable you to do projects 20 to 30 percent faster and cheaper without increasing the risk is move virtually all assessment work, technical assessments, risk assessments, functional fit assessments and business case and change management assessments forward into what we call an assessment phase. At the end of the assessment phase, we know enough about your system to give you a detailed scope. Because we have a detailed scope, we have a very detailed work plan and a very detailed risk mitigation as well as a detailed business case for you to review, augment and take to your management for approval.

The delivery phase is anywhere between three and eight months on average for upgrades. It really depends on what type of upgrade you’re performing. If you’re doing a technical upgrade, it could be anywhere between two to four months depending on the complexity of the upgrade. It could be anywhere between three and six months for a functional upgrade, again depending on the complexity and size of your system, and it’s certainly six plus months for the strategic business improvement upgrades because here you’re really putting the world on its head potentially.
A point I’d like to make about the ongoing phase is once you’ve done the value upgrade project, what we like leave behind with you are the processes, the KPIs and the ways and the framework to think about continued business improvement. So the tools and templates put in place for you to make prioritization decisions regarding scope during the project will stay with you so you can use those later on as you roll out additional functionality in R/3 Enterprise or any other mySAP solution product.

The way we deliver this is based on the distributed delivery scenario. If you look at all the activities that need to go on during an upgrade, you will find that some of these activities have to be performed on-site because you have to have closeness to the executives, to the end-users, to the customer organization in general while other deliverables and other phases of an upgrade project can be moved to a near shore delivery center. And please note I’m saying near shore here, because we do believe that while we move work away into delivery centers, the fact that these are near shore and in North America create a much more intimate delivery framework and delivery mold with the on-site team that remains. As we move toward the end of the project where the closeness to the end-users, customers and business partners increases, we do bring back resources from the near shore, offshore, to the on-site delivery. All in all, this model has allowed us to provide customers with a very rapid and risk-averse delivery model.

One of the points I’d like to make is that the Netweaver solutions stack that SAP is pushing very strongly now has some tremendous opportunities for companies that are considering upgrades or that are upgrading right now. In many ways, your R/3 system is not an isolated solution. There are Legacy apps, other SAP apps, there are different end-user communities within your organization and outside of your organization, and there are certainly also impactants that you work with through interfaces that if you would non-human user communities that will be impacted by the upgrade. You will have to touch every interface. You will have touch every one of these end-user communities and I’m suggesting to you that the use of the enterprise portal, for example, would allow you to shield the end-user community from the overall disturbance that the upgrade presents. Whether you’re going from R/3 3.1, 4.0, or 4.6 to 4.7 you will be adopting mySAP
and joint transactions which are significantly different than the traditional classic transactions so you’ll have to re-skill your users, you’ll have to train your users, they’ll have to increase the acceptance for that.

From the exchange infrastructure perspective you need to ask yourself every time that you touch an interface and rewrite an interface, whether or not that interface could be better, cheaper, realized using Xi infrastructure to support XML, IDOC, et cetera, rather than a homegrown propriety interface.

Before I hand off to Jesse now, I wanted to show you this initially, probably rather confusing slide because I do want you to – as you listen to Jesse, take some of the messages that I’ve given you so far from a functional and business case perspective and add them on top of the infrastructure and infrastructure objective that Jesse is going to paint for you in a moment.

As you move towards R/3 Enterprise as part of a mySAP, ERP, or mySAP business system solution, what you’re moving toward to the more complex, more holistic SAP solution that will, overtime, allow you to become more flexible and more – and respond more rapidly to change inside and outside of your organization. It’s, again, all about adaptive IT that I spoke about before. And you have to understand how the analysis and design, implementation and deployment components act together to a holistic SAP upgrade service solution.

With that, Jesse, I’m going to hand it over to you. Take it away.

DEOL: Thank you, Hellmut. I appreciate that rendition of the functional and business case for SAP upgrades.

Thank you and hello again to everybody on the call and webcast.

I’d like to start by pointing out something fairly obvious but that deserves repeating in that if we want to look at optimizing infrastructure for an SAP upgrade or Netweaver or business strategy, we really have to look and understand the cost drivers of IT and sometimes called TCO element, the total cost of ownership element. Some of these are obvious such as the direct cost: hardware acquisitions, software licensing, multi-year maintenance support and staffing, but some of the more hidden costs, perhaps, the indirect costs, are in reality larger than direct costs over a three to five year period, according to IDC. These include the

Figure 14

Sources of Downtime = Costs

Figure 15

mySAP Upgrades: five ways to build agility and a better return on IT

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So let’s talk about another factor here as well in looking at your cost structure, which is downtime. And sources of downtime, according to the Standish Group, are broken up into many parts. I’d like to draw your attention to two aspects that drive about 47% of downtime, which are applications and databases. And these two combined basically represent your enterprise crown jewel, the ability to perform business on a daily basis, distributed 7 x 24 worldwide.
Now what’s interesting about this is the fact that applications and databases are very important. It’s very important that you protect them with high availability and business continuity, but what’s also not so obvious is the fact that the cost to fix these and the triage required to fix these could involve one or two people or maybe 50 people depending on how you’re set up with systems management, and the proper operational procedures to fix these problems when they do occur. Bear that in mind as we move forward here in the rest of our conversation.

Now let’s talk about some practical things that we can look at based on our feedback from customers, our 20,000 SAP customers who have gone through a series of upgrades over the years. There are really five ways to build agility and a better return on IT to take advantage of these new applications and functionality to drive your business model. It really, in a very short form, the idea of simplification of your heterogeneous environment, the ability to manage that to reduce your costs, so the thought processes of systems management comes into play.

Second thought is consolidation. The idea of application, database, data center, as well as server and storage consolidation, is a very interesting topic we see a lot of customers embracing and implementing as we speak.

The third step is migration. The idea of moving to a lower cost of ownership without sacrificing price performance, in fact, improving price performance, and the idea of moving to industry standards. We’ve seen a lot of customers take this option in terms of application servers, moving to Windows or Linux, as well as wholesale moving the database and application environment in SAP to lower cost operating system and database environment.

And the fourth area is optimization. Once you’ve simplified, consolidated and migrated your platform, any or all of the above for SAP, you might want to get busy around business continuity and optimizing your infrastructure using partitioning, virtual and hard partitioning and SANs and modular computing, and to get the ultimate flexibility in computing using computing as a utility on a pay-as-you-go model, which is very interesting and we see a lot of customers picking up that initiative as well.
- Depending on number/distribution of servers/storage: 12-15 month average payback period
- Operational efficiency and centralization leads to faster migration/upgrade transitions
- Improved service levels and system utilization  
  www.hp.com/go/sap/consolidation

Figure 17

Figure 18
And finally, all the technology in the world really can’t help you be successful unless you have accountability in place to go mitigate your risks, collaborative engagements with your technology partners and services partners and flexible pricing, and ultimately, hosting options if you choose to diversify your IT investments.

So let’s talk about simplification as a first topic here. Simplification really boils down into one thing in the idea of a heterogeneous world with different databases, storage environments, servers and operating systems. Many IT shops need the ability to control and manage this from a single console. You can start small and grow but the idea here with HP OpenView in a modular format, a comprehensive integration with SAP, even with Oracle databases provides you with a proactive, high-level management facility whether you’re distributed or centralized. In an IDC server, we have 14 customers who have switched to HP OpenView who recently indicated that staff members can manage an average of 26% infrastructure, more servers, more storage they can manage and time to complete management tasks has been cut into half. And finally, server and overall downtime has been reduced by 74%. Back to the issue of triage and how long it takes to triage, it’s much easier to solve a problem with fewer people involved if you have a proactive, alerting and alarming system that navigates your entire server, network storage, performance management and application environment. Those are interesting lessons learned from our customers in terms of using HP OpenView.

I’d like to shift your attention now to consolidation, an idea that’s been around forever. It really started with the mainframe and now has migrated very successfully to Big Unix, HP-UX and even in some cases to the Windows environment. What we see here is consolidation is really a journey. It’s a journey that starts with looking at your distributed infrastructure, all those instances, all those mergers and acquisitions, all those new applications that sprouted out of nowhere, where IT now is looking to regain control, optimize management, effectively utilize more IT assets, and finally get better control over security and get back to an environment where you can effectively manage your business instead of chasing down IT technology. And this journey

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**Consolidation**

Lower operating costs, higher utilization
Better IT control & security
Cost effective backups and upgrades

**Increased system utilization**
- partitioning Superdome into physical entities: up to 16 nPartitions

**Increased Flexibility: Multi OS**
- Multi OS support: HP-UX, Linux, Windows

**Increased Uptime**
- Hardware/software isolation across nPartitions
- MC/ServiceGuard support (within Superdome or to HP 9000 server)

SuperDome (PA-RISC & Itanium)

PA-RISC: rp8400
IPF: rx8620

PA-RISC: rp7410
IPF: rx7620

*SAPnote 21960 underscores SAP’s full support of HP consolidation solutions.*

Figure 19
requires quite a bit of discipline. But depending on the number and distribution of servers and storage you have in your SAP environment, we see an average payback period of the investment in consolidating your environment across data centers, application servers, database servers instances as well as storage and systems management could be very lucrative for customers in terms of direct cost savings. But you can plow back into your application functionality or services to go implement your SAP upgrades. Obviously there are major operational efficiencies due to centralization and a faster migration and upgrade transition whenever you can get all your servers and storage in a single or very tightly managed centralized environment if at all possible and business practices will dictate that on a case-by-case basis. Finally, improved service levels and systems utilization. Better return on your IT overall.

So consolidation; this next slide talks about some of the technologies we bring to bear in the consolidation stage, whether you’re looking at application consolidation and database consolidation. As a quick example, with the HP Superdome platform you have a unique capability of providing multi operating systems support with HP-UX, Linux and Windows 2003 that is very powerful in terms of balancing workload, distributing your applications across multiple operating systems without sacrificing high availability and performance as well as our ProLiant blade servers which serve as very attractive application servers that you can rapidly deploy at will. And finally, our storage for SANs with disaster tolerance and
features that allow you to effectively manage virtualized storage resources—very powerful tools to help you move forward in your endeavor to upgrade SAP.

Now, let’s look at consolidation from a platform perspective. I’d like to draw your attention very briefly to the Superdome platform we’ve released that has been shipping for a while. What’s new about Superdome that we’ll be shipping in the second half of this year is the idea of multi OS support with HP-UX, Linux, and Windows and increased uptime and the ability to partition your workload and get better and more cost effective use of your IT assets. And price performance ratios are very compelling, and we’ve already seen customers unhook mainframes and deploy a hybrid of Unix and Windows technology to complement what they used to get out of a more costly and perhaps outdated set of technologies without sacrificing functionality. Certainly food for thought and we have plenty of reference customers to share their knowledge with you as well in this regard.

I’d like to shift your attention now to Migration and the idea that one easy step to look at in optimizing your environment and saving money is the idea of moving to new technologies, taking advantage of industry standards. And there are two developments here that are worthy of note as you look at upgrading your SAP environment.

First is, of course, the introduction of Itanium®, an Itanium® 2 family, into the fold. SAP has been one of the innovative companies and perhaps the only one who’s really on an end-to-end basis done a remarkable job of porting their application environment to Itanium® 2. And HP working with Microsoft with a lot of work based on our experience in the SAP world, working together to optimize 64-bit technology with Windows, Server 2003 and SQL Server 2000. It’s no surprise that HP and our leadership in the Windows space at SAP with over 60% of installations there are spending a great deal of time to make Windows ready for the data center.

Now, what’s more compelling and a “so what” for you as a customer, is the fact that price performance has increased tremendously in the Windows space in the SAP arena based on SD benchmarks, the sales distribution benchmark. In the past few years you

<table>
<thead>
<tr>
<th>Technology</th>
<th>IBM</th>
<th>SUN</th>
<th>HP</th>
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<tbody>
<tr>
<td>Database server availability</td>
<td>45</td>
<td>33</td>
<td>51</td>
</tr>
<tr>
<td>Application server availability</td>
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Summary of weighted scores
SANs for availability

- **Disaster tolerance**
  - RAID arrays
  - controllers
  - subsystems
  - switches
  - server paths
  - clustered servers
  - redundant sites

- **Non-disruptive operation**
  - point-in-time copy
  - remote copy
  - tape backup

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**Figure 23**

**Improved business continuity**
Partitioning, SANs and modular computing
Computing as a utility

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**Figure 24**

**HP OpenView storage heterogeneous support**

- System Management
- Application Management
- Network Management
- Performance and Resource Mgmt.
- Storage Management

Centralized management and storage services

- Node management
- Capacity management
- Performance management
- Usage metering and billing
- Configure & provision
- Backup & restore

SMI-S and API’s

HP and heterogeneous storage

(Sponsors logos)
can see that there’s been a 21x improvement in performance and just in the last three years alone, a 475% improvement in performance on Windows with the introduction of more scalable 8-way servers, now with the latest and greatest technology with the HP Superdome, booting Windows 2003 and SQL Server 2000 64-bit really have world-class performance and for those of you who are watching the TPC C wars, please visit www.tpc.org to look at the latest numbers on Windows on Superdome.

What’s really more important besides platform scalability and performance is the idea of the migrating services and the enabling high availability solutions and mission critical support to make your environment as robust as possible as you migrate to new technologies and platforms. TCO studies in the marketplace have shown, and you can go to Microsoft’s Web site to get even more details and we’d be happy to share with you ROI studies looking at the three-year lifespan in terms of software, hardware maintenance, design development and ongoing support and training indicate almost 50% savings over the lifespan of an application when migrating from a more costly proprietary environment to a lower cost industry standard environment. A very powerful proof point and testament to what’s available out there in terms of making easy transitions in technology.

I’d like to talk now about optimization. We talked about consolidation, migration, and simplification, and optimization now is looking at your infrastructure as is and understanding what’s the best way to utilize that technology and optimize your investment in IT. And we have a very interesting study by Gartner, a very recent study, “Enterprise Guide to High Availability for SAP”. Gartner created a model based on 32 criteria that they independently assessed, invited HP, IBM and Sun to participate with a suggested system configuration set of tools and Gartner looked at server availability on the database, availability on the application server, disk storage subsystems, systems management, consulting, design and build, systems support as well as business practices and supported these on an independent basis. It’s probably not a surprise to many of you that HP scored the highest of this independent survey in all these categories. These important categories bring back to the major causes of downtime, your database, your applications, and the need to have a

![Accountability](image)

**Accountability**

- Risk mitigation and accountability
- Collaborative engagements
- Flexible pricing and hosting options

**HP mission critical support for SAP**

- integrated HP and SAP support
- processes provide seamless problem resolution and optimized proactive support

- SAP-certified/trained account team
- SAP-specific patch recommendations
- SAP change management
- performance analysis for SAP
- immediate connection to SAP-trained experts with direct link to SAP
- SAP-specific HA technology
- Up to 7 x 24, 2hr repair, global coverage

**HP Financial Services**

Full financial resources and solutions for the enterprise

- Leasing
- End of Life Options
- Buyback / Trade-in Program
- Flexible Programs to include software, services and hardware into a single payment stream
- Aligns business benefit with cost to implement

Figure 25

*SAP IT Briefing: Realizing the maximum business value from your SAP upgrade*
very comprehensive, integrated strategy and high availability. This just goes to show you that there is a difference in whom you choose in terms of your platform partner and infrastructure partner.

Let’s look at another area that’s probably overlooked by a lot of customers we’ve found—not recently, but in the past. This is the idea of optimizing your storage environment. A lot of customers come to us complaining about the fact that they’ve not been able to capitalize on storage utilization. They’ve got a lot of capacity that has grown over the years, but utilization is a problem and proactively monitoring it and capacity planning is a challenge. And more importantly, disaster recovery and non-disruptive operations are challenging. What we provide at HP working with our partners, as well as homegrown R&D investment, we have a very robust set of disaster tolerance capabilities and controllers, subsystems, clustered servers, and recovery all enabled by point-in-time copies, remote copies and tape backup integrated to fibre channels and HP’s OpenView storage area manager—a very robust environment which can save you a lot of money. In fact, in some environments and studies have shown that the cost to manage storage now in large enterprises is almost seven times greater than the actual cost to buy the storage, which is a staggering fact that some customers actually attest to in our experience.

So let’s look at one solution in terms of optimizing your environment. Let’s look at HP OpenView and the storage area management. This is a very simple idea. It’s more difficult to do without a very strong R&D and a very broad multi-vendor support environment, which HP has now with our storage works family and our overall storage strategy. You’ve got the ability now with HP OpenView to drill down and manage capacity, performance, even provide usage, metering, and billing back to departments, configuring, provisioning, and backup and restore are all online remotely or on-site. We support a heterogeneous environment, a very powerful concept when integrated with the rest of our platform servers and very much a modular approach that you can take or very comprehensive approach with storage management. Back to the point that storage management may be at seven times as much cost in overhead as buying the storage itself. Very much a strategic element to make your infrastructure more optimized.

So let’s look at the next phase of upgrade and let’s
talk about accountability. And we’ve talked a lot about infrastructure and the way we can go with infrastructure in terms of consolidating IT, saving you a lot of dollars both indirect and direct costs. Talked about migrating which direct savings in terms of obvious lower price points and then optimization across storage, systems management, and the whole idea of simplifying it all. Now what really makes a difference, I believe, in an SAP environment besides the technology is what else does HP do to help our customers be successful? And we do two things here that I think are important as you move forward. First is the idea of mission critical support for SAP environments, the idea that customers need proactive and reactive support 7 x 24, two-hour response on-site, global coverage tightly linked with SAP support centers, a single throat-to-choke, if you will, optimized for SAP environments and HP technology. This is an important aspect of our portfolio that customers take advantage of on a continuous basis, particularly in a global environment, 7 x 24, non-stop environment. A very important aspect that applies to our Unix and Windows environments as well, a major step in the right direction.

The other aspect of it is the whole idea of flexibility and HP collaborating with our customers and including some creative programs using our captive financial services organization that provides flexible leasing where we could basically package software, services and hardware into a single payment stream, and we can even align this business benefit with your cost to implement and provide instead of a big bubble cost a more deferred cost environment. And the ultimate to this of course, is computing as a utility, which I believe is well known in the industry now. HP has taken a major step in that direction.

I’d like to talk now about the other side of accountability in terms of taking that ultimate step. A lot of customers are coming to us now in the era of tight resources, budget control, and a lot of IT complexity that needs to be managed and are asking HP to consider working with them to outsource, either on a selective basis or comprehensive basis, their environment. You may have heard in the press about HP signing very large contracts with Proctor and Gamble, the Bank of Ireland and Eriksson and others in what I consider pure play IT outsourcing. Perhaps what you may not have heard about is the fact that SAP and HP are very complementary partners in the SAP hosting arena as well as HP is the largest outsourcing partner of SAP with over 150 live implementations around the world. We obviously do this in many ways working with our partners. One interesting thing I find that customers respond to and resonate with is a survey that InformationWeek conducted last year in November that looked across about 500 IT executives who were directly involved in IT acquisition and outsourcing initiatives. They looked across pretty much the industry’s stalwart. All the big names are here as you can see on this slide and what was really interesting and compelling was the fact that across a broad dimension of categories, HP was overall number one and we were number one because of many reasons. But I’d like to point out to you where we really excelled. First was reliability. The second was cost and value, technical requirement, the ability to provide very flexible SLAs and then, finally, trust. Back to the idea of having a collaborative, flexible IT partner can help you manage your complexities without threatening your business plan or your strategic choice of using selective outsourcing. It’s really going to be up to you. We have many models to choose from including co-sourcing, including computing as a utility where the asset’s on your site and we manage the assets for you or complete outsourcing when we manage everything on an SLA basis tightly aligned with your business objectives.

So in conclusion, if you look at all the aspects we talked about today in simplifying your IT infrastructure, consolidating, migration, optimization, and accountability, I’d like to say that HP probably provides in a very tangible way more business agility for our customers and our partners. We can provide you with simplification tools, systems management, can provide you with a choice
of operating environments, make you very flexible and nimble as new applications and new infrastructure come to bear on SAP and surrounding ISVs that support that ecosystem and ultimately a better return on IT. In the world of collapsed budgets, scarce resources, the return on IT expended is very important, and having a flexible IT partner who basically can provide you infrastructure and services and partnerships to make this happen is really an important aspect, we think, of your journey as you progress in upgrading to mySAP.

And with that I’d like to pause here and hand it back to Dottie.

We are now moving on to the live Q&A with you, our audience. Please feel free to enter any questions that you may have at this time by clicking on the “Ask a Question” button in the lower left corner of your presentation screen. I do want to give Jesse and Hellmut just a moment to start reviewing your questions that have already started to come in while I give another quick thanks to today’s webcast sponsor, HP. This webcast is presented to you today by HP and as a special offer to webcast participants, for a limited time, save an extra 20% on HP servers when you upgrade SAP R/3 and purchase a qualifying server. Just upgrade to the SAP R/3 4.6C or 4.7 Enterprise version and purchase a PL 1X mid-range server or HP Superdome server. Click on the banner ad in the right corner of your presentation screen to visit HP for more details.

Questions?

- For more information: please contact your local HP sales account team or jesse.deol@hp.com as a secondary contact
- For assistance in SAP infrastructure sizing and characterization: HP SAP Competency Center at 1-800-424-0993, option 2
- Set up a discussion with HP SAP experts to discuss your unique environment and business needs
- Learn more about our SAP Upgrade promotion of 20% discount for select HP servers

Visit us at http://www.hp.com/go/sap
Okay, Hellmut and Jesse, I’m going to turn things back to you for the live Q&A.

DEOL: Thank you. While we’re waiting for questions I’d like to answer a very simple couple of questions from the audience.

Will the recording of the webcast be available?
Yes, indeed. We’ll be available online at SearchSAP.com.

Q. And we have another number of questions as well. A simple one like, does SAP support Itanium® environments?
A. The answer is, yes indeed. SAP supports Itanium® 2, and in fact, we have two customers live on Itanium®, VTG in Germany and Multi York Furniture in the UK, both live and very happy and reference-able, SAP on Itanium® on Windows 2003 and SQL Server 2000.

OMETZBERGER: Jesse, I’m sorry. I wanted to pick up on a question that is probably closely related to what you just talked about. Somebody asked what the cost of evaluation for a new systems testing is both from a functional and technical perspective and since you’re mentioning the Itanium® platform with all its promises and potential for future TCO savings, let’s you and I talk to this one for a little bit. I’ll start off with the functional side of the house and then if you could lay into the technical side a little more.

From a functional prospect in the cost in valuating R/3 Enterprise really is driven by the details of which you go in your evaluation. Generally, customers I work with spend anywhere between two weeks and four weeks trying to fully evaluate the ability of R/3 Enterprise to better meet the needs of the organization from a functional perspective. It does become a little more expensive if you do have to go in and do a pilot, but the proof of concept upgrade or the pilot upgrade as it’s often referred to, would only be performed if you’ve already identified sufficient functionality that you would benefit off.

Jesse, maybe from a technical side if you can spare a few words.

DEOL: Yes, from an SAP in terms of cost evaluation for new system testing, both functionally and technically, I think the first step is to look at comparable use of a platform in your industry, with a customer reference who’s already live and using similar modules, similar user workloads and similar business practices. That’s obviously, with SAP/HP’s breadth of customers, something we’d look at right away.

The second is we have a great deal of sizing and technical information from SAP from real-world customers that we can share with our customers and tailor sizing and capacity planning for you and then finally, if seeing is believing it and running it in your own shop, we obviously provide a proof of concept capability working with partners like CGEY, the customer environment, and we could actually bring in your SAP environment on a small scale and scale it up as necessary using Mercury Interactive, RoadRunner and other tools available to us. We can actually drive transactions using our labs, which support very large-scale test beds to actually test new functionality that you may choose to implement and test before you go live, a very important value-add that we provide working with our partners. This is a similar service that Microsoft, HP and Intel work on in our Intel technology centers as well, and it would work for any technology you would choose to implement whether it’s Unix, Linux, Windows, independent of databases as well.

OMETZBERGER: Q. A couple of other questions that have come in. Somebody’s asking whether doing a technical upgrade will result in having to adopt the mySAP and joint transactions.
A. The answer is yes. If you’re going to R/3 Enterprise the classic touch-and-feel transactions are increasingly being phased out by SAP. Some of them are still around for BDC batch input session reasons but, yes, you will have to move forward and use the mySAP and joint transactions. By the way, there’s tremendous potential there for you with very little impact to the business process to increase the system acceptance and ability of the end-users to interact with the system because it’s simple and less screened.
Q. There’s a question as to how many R/3 Enterprises upgrades have been performed and whether the customers have realized their ROIs.

A. Personally I’m currently involved with three upgrades that we’re delivering, and I’m also involved with 15 business cases. On the technical upgrades, there is an outline before ROI on the functional upgrades if you have the commitment of the senior management to see through some changes. There’s significant ROI especially if you can get folks to adopt the system usage in a more structured, more beneficial way. And the key to the ROI is to get the KPIs right, the measurement criteria right and to align the appropriate SAP functionality that is new or improved in R/3 Enterprise with those KPIs.

Q. There’s also a question whether you always need a consultant to do the upgrade and since I’m the consultant, I’m going to answer that one tongue in cheek.

A. Since I’m sure everybody in the call is to make sure that my family and I eat, yes, absolutely. In reality though let’s look at the needs that you have during an upgrade. During an upgrade you really have to meet two, if not three needs. One, you have to devote resources to perform the upgrade. You also have to devote resources to maintaining the current production environment and in most of the situations you have to have resources concentrate on new requirements that are coming up. My recommendation is that you do use consultants to not overload your own folks and lead to situations where resources are not devoted to getting tasks done on time, which translates into long running timelines which translate into scope creep and budget creep. I would also put it to you that when you do the business case, one of the key abilities for you to benchmark is to be able to understand what your competitors and what others are doing and that’s knowledge you get that way.

OMETZBERGER:

Q. Jesse, somebody wants to buy Superdome.

DEOL: A. Yes, yes, indeed. I saw that. The Superdome is a very scalable platform that you can add to use in modules to as you grow. It really depends on how large-scale an implementation you’re looking at since it scales up currently to 64 processors for instance and in the future with dual core technology to even more processors. The price range is fairly broad and so we’re probably looking at fully configured with storage and other support, obviously you’re looking at least probably $150,000 to $200,000. And then the real benefits, of course, the benefits of a more robust high availability and the built-in partitioning capability which comes with the software, which of course is operating system dependent. And, of course, then the high availability features we talked about in the Gartner survey and so forth. So if you really look at your cost overall, it’s a very robust, high-end, the highest end of our product lines in terms of our server family and can scale up to a multi-million dollar system potentially depending on how much memory, disks, IO needs you have. And they’re available today, I’m happy to say. And, by the way are the highest selling large server, bar none today.

OMETZBERGER:

Q. There’s an interesting question out there asking us to estimate the production downtime.

A. I want to make two statements here. SAP has significantly changed the way the repository is updated. We’re going from repository switch to system switch. The great thing about the system switch upgrade is you can execute it in two ways: one, a hardware – a low hardware way or a low downtime way. I would strongly recommend everybody adopt the reduced downtime approach. What you will be required to do is install a Web app server, you upload the R/3 Enterprise repository using the Web app server, you do your modification and notes adjustment prior to the downtime and you do also some fancy stuff with the binding of packages prior to downtime. Downtime is significantly lower than with past upgrades. I can’t give you exact because I don’t know what release you’re coming up from, but I’ve seen anything from a day to literally four to five hours, so significantly less than in the past. And the key advantage again is you do your modification adjustment and notes adjustment and a lot of the hard package binding before you go into downtime. Downtime, generally a lot of the downtime intensive phases such as Xpra, XPRA, etc., are at least 25 to 40% shorter than they used to be in the past.

DEOL: A. And to that end, Hellmut, HP internally, since we have a very large environment with multiple instances which we’ve consolidated, we, of course, test this in a large-scale with disaster recovery and backup with remote log shipping and
a six-hour delay in sending records over so you can recover in the event of failed upgrade, if you will for that matter. So not only is the idea of the upgrade, which can occur very quickly depending on your operational practices, but in the event of something going wrong, we can also restore your environment to it’s original state which is very critical.

OMETZBERGER: A. Absolutely.

DEOL: Q. So those are important ideas. Getting some good Superdome questions here. Is the Superdome physically or logically partitioned?

A. The answer is both. For physical partitioning, what we call electrical isolation, we can provide that and then the logical partitioning is within a cell which has four CPUs in it and, of course, this means it has independent power supplies and so forth for high availability. So the answer is you can both physically or hard partition as well as logically or virtually partition with Superdome.

OMETZBERGER: Q. There is also a great question out there about where can I find some more detailed information about functionality that is in R/3 Enterprise and may not be an earlier release?

A. The best source of information is SAP’s online service marketplace which can be reached at service.sap.com. You’ll have to use your OSS logon to get onto it. There is a wealth of information out there, some very specific outlines of how new functionality will impact your business. From a percentage perspective, I would say that probably in the next two quarters you will see a significant increase in folks beginning SAP upgrade projects. I think the spike is going to hit next time around Q2 of next year. I realize that about two thirds of SAP’s install base is not on 4.6C so they’ll have to upgrade in the next year and a half.

DEOL: A. Yes, and to that note in terms of upgrades sending them back to Hellmut’s point whether it’s a functional upgrade, a technical upgrade or business process upgrade, from a technology perspective we’re seeing a lot of customers starting to prepare infrastructure-wise for the functional and VPR upgrade, if you will, and that’s important because you can’t do it all at once. And, in fact, that’s not probably the right approach if you’re trying to rationalize your IT infrastructure and everything so we advise our customers to look at it holistically like value upgrade approach but you may decide to stagger how you to this based on your particular needs, timing and window back to the value upgrade approach. But we do see a lot of customers, perhaps 30, 40% looking at the technology infrastructure as a quick way to reduce costs.

OMETZBERGER: Q. There’s also a great question out there regarding the incremental amount of time that you would spend upgrading an R/3 system that has an industry solution installed.

A. It really depends on the industry solution. You have to realize that some industry solutions were programmed cleaner than others. When I say cleaner I mean to say that some of them have less direct linkage and impact on the SAP R/3 Enterprise core on the 4.6 or 4.5 core of what you paid for lease maybe at this point. For those industry solutions you will find that the key code component and functionality component move into the Enterprise extensions layer and the incremental is low, maybe anywhere between five and 15% higher than the normal upgrade at best.

For those industry solutions that are much more tightly programmed in and around the core functionality of R/3 Enterprise 4.6, 4.5, and 4.0, you will find that there is an enterprise extension with a lot of the functionality but that the core also contains parts of the industry solution. Those may be a lot harder to upgrade and there I would not be surprised if because of the complexities, the overall solution, the size and the amount of customer development to make particular industry solutions work, you would be looking at anywhere between 15 to 25% more time.

DEOL: I’ve a question here on a disk IO and a bottleneck doing an upgrade to reduce downtime. What these people recommend is we’d first look at your environment on a detailed basis and look at a performance assessment, the disk IO and suggest improvements which could be any number of things including upgrading or distributing your disks and laying them out differently and changing your rate controllers, upgrading your software and so forth all the way down to looking at your database and so on. If your system hardware is the issue, we can quickly drill down on that respect and put together some proactive plan together without signing any
major contracts or spending a lot of money and this would, of course, be a part of our presales capabilities we provide to our solutions center which is available as a free of charge service that our partners and customers can use anywhere in the world. In the U.S., that number 800-424-0993 and hit option 2 and you will reach our HP/SAP competency center which can help you get more details on this.

OMETZBERGER:
Q. There’s a good question out there, Jesse. Can we upgrade directly from R/3 4.0 to R/3 Enterprise?
A. The answer is yes. Any release that is higher than 3.1i, 3.1 India, can go straight to R/3 Enterprise without intermediary steps. There may be some IS industry solutions specific exclusions on other than ISO. If you want to activate certain joint venture accounting functionality, you have to make a stop at 4.5. Activate that functionality there and then go through to 4.7, but those are the exceptions.

Q. I’m looking at another question here on the disk IO.
DEOL: A. We just addressed that.

OMETZBERGER:
Q. That’s been addressed, good.
DEOL: Time associated with the –

OMETZBERGER: A. Time associated, I think I mentioned before. Technical upgrades anywhere between two to four months, functional upgrades three to six months and strategic business improvement upgrade, six months plus.

DEOL:
Q. I believe the question is related to actual functional tests of the applications.
OMETZBERGER: A. That could be anywhere between four weeks to six weeks depending on the dispersion of the end-user community, the amount of modules, the amount of complexity in the system and transactions used. Generally, rule of thumb is that you probably spend – in relation, if you look at the final testing and user acceptance phase as it compares to the realization phase, you’re probably spending about 60% of the total in the time that you spend in realization you would spend in testing. So, for example, if your realization is ten weeks, your testing is going to be five or six weeks.

DEOL: Hellmut, there’s a question here about R/3 upgrades. How many have we done, have these customers realized their ROI? Which is probably a complicated question relative to the actual SAP software, the technology and the services and so forth. Do you care to comment on that?

OMETZBERGER: A. We certainly have done a number of upgrades. As I’ve said before, I’m involved in three that CGEY’s doing right now. For the technical upgrades, there is little ROI because really you’re taking a very snapshot application maintenance view unless you prepared to do what Jesse has outlined from an infrastructure perspective. Then there’s immeasurable clear ROI. For the functional upgrades the key component is to provide good functional scoping at the beginning of the exercise and make sure that the business buys off on that. If the business buys off on it, you have the right KPIs in place and you’ve made the right design decision, the ROI can be as early as a couple of weeks into the project. Just did one upgrade where the customer, they have some significant reporting issues, visibility issues for cashflow and the inventory width. We actually started at step zero of the upgrades, put in SAP’s business warehouse, used some standard cubes and within three weeks gave them all the visibility they needed and never had. With the impact that that had on the organization, were able to achieve some additional business process improvements as part of the upgrade.

Q. Good question here on R/3 Enterprise for IS Oil.
DEOL: Hang on a second there, Hellmut. I’d like to add one thing on the ROI content if I may.

We’ve found customers on a large scale who have consolidated their infrastructure applications and databases and saved enough money from operational savings, centralization, software license fees, facility costs and the millions of dollars that have then been reinvested in more functional improvements and improvement of your upgrade. Getting back to the ROI question, it’s really a question of re-shifting, reprioritizing your IT dollars and moving them from one bucket to the other for more productive, functionally oriented SAP environment versus a maintenance oriented infrastructure management environment. So that really depends on your strategy and plan, but it has been done and has been done very effectively with
several customers we can share details with at the appropriate time.

Sorry, Hellmut. Please go ahead.

OMETZBERGER:

Q. No problem. There’s a question around customers having IS Oil and when they can expect to upgrade to R/3 Enterprise.

A. Right now I saw something released in R/3 Enterprise and it is expected that the ramp up program commences in late Q3, Q4 of this year with a potential Go-Live for general availability at the end of this year.

DEOL:

Q. Okay, very good. And I think we’ve covered all the impromptu questions to date if I’m not mistaken.

OMETZBERGER: That is correct.

DEOL:

Q. Oh, I see a new one on the refresh. Where can I learn more about the technical benefits of 4.7 versus, I suppose, generic 4.x?

A. I would strongly recommend, again, the service. Go to sap.com the service marketplace from SAP. Some really great documentation out there. Some great literature on the Web App server and integration, the SAP philosophy of Netweaver, certainly my place to go first.

Q. Okay. Very good. All right. Dottie, are there any other questions?

MODERATOR: I think that is going to just about wrap it So, folks, that is going to conclude today’s webcast: “Realizing the Maximum Business Value From Your SAP Upgrade.”

And if you’d like to review today’s material at a later date, an archived version of this webcast will be made available on the following sites, SearchSAP.com, SearchStorage.com, SeachCIO.com, SearchWin2000.com and SearchEnterpriseLinux.com. It will be available on their webcast pages within the next 24 hours.

I would like to give a final thanks to our guest speakers. Thank you Hellmut Ometzberger and Jesse Deol for your time, knowledge and expertise today. We really appreciate you joining us and spending time with us today.

And a very special thanks to our sponsor, HP for bringing us this presentation. I thank you all so much for joining us today and I wish you all a good day.

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