

ERP STRATEGY

DR DEREK PRIOR DISCUSSES THE IMPORTANCE
OF A CLEARLY DEFINED STRATEGY TO
MAXIMISE YOUR ERP INVESTMENT

FOREWORD

At Sapture we believe that by combining resources and sharing knowledge, we can overcome many of the challenges such as COVID-19, economic/social uncertainty or climate change that we are all facing; whether that be within the ANZ SAP Ecosystem or on a huge global scale

Through Sapture Xpertise we are hoping to achieve this in a small way, giving something back to our client and candidate networks by sharing insights, advice, ideas and opinions from various industry experts.

I am really happy therefore, to welcome you to our latest mini 'thought-piece'. In this one, Dr Derek Prior, former Gartner SAP Advisor and AMR Researcher, asks whether now is the time to dust off your ERP Strategy. It's an interesting question and one that I think could be applied to all areas of business as we focus on trying to navigate the current ups and downs that are beginning to become our new normal.

Hopefully you'll find it useful, I'm really excited that we are growing the list of potential partners and thought leaders to work with us on Sapture Xpertise.

There are more details on page 5. If you would like to be involved please drop me a line.

Now, more than ever, is a time for collaboration.

Shane Morgan



TIME TO DUST OFF YOUR ERP STRATEGY

Let me ask you a really simple question: “Would a house builder start to build your dream house without a fully detailed design drawing”? Of course not. So why do companies spend hundreds of millions of dollars on ERP software – without an ERP Strategy? Yep, they do, all the time...

SAP TURE XPERTISE

As a former analyst in the Gartner ERP team I lost count of how many organisations that I spoke to who were struggling with very basic implementation, upgrade and extension problems with their very expensive SAP ERP investments. But this applies to all ERP vendors, not just SAP.

Usually these organisations ended up over-customising their standard ERP software, incurring big project deployment delays and/or spending way too much money too. In trying my best to help rescue the situation the first thing I used to ask them was what they were trying to achieve with ERP – what were their goals?

Guess what, 5 years ago my colleagues and I were having the same conversation with Gartner clients all around the world. In analysing these expensive problems (some ended up in the deadlines, unfortunately) we finally realised what was going wrong. All of these organisations had a business case signed off by the board – **but none of them had an ERP Strategy!**

It's just like kicking-off a football match, only to realise that you don't know where the goalposts are. Or someone has just decided to move the goalposts for you.

An article by

Dr Derek Prior

Dr Derek Prior spent 19 years as an analyst specializing in SAP at Gartner and AMR Research, advising organizations all around the world on SAP strategy and best practices



So, what exactly is an ERP Strategy? It is, quite simply, your ERP goalposts. It is a document that defines the business objectives of your (huge) ERP investment. The ERP Strategy is driven totally by your Business Strategy. It identifies exactly which business processes are covered by the ERP footprint, e.g. order-2-cash, procure-2-pay, manufacturing planning, finance, etc.

It then identifies the business value expected from ERP, including Key Performance Indicators (KPIs) of each business process. The ERP strategy includes vanilla/customisation principles, business governance and ownership strategy, as well as instance strategy and basic sourcing strategy.

If you have a proper ERP Strategy in place, when someone asks: “**Can you just add this feature to the ERP system?**”, you can challenge them.

“Well, we could, it would take 4 months and use a large part of our annual budget – but it does not line up with ERP Strategy”. Now you can see where I am coming from.

We are slowly, painfully, emerging from the dreaded coronavirus pandemic. SAP customers in some industries have done OK, e.g. on-line retail. But we know too well that other industries have seen deadly downturns. Many organisations therefore need to totally question their ERP expenditures and life cycle plans. If this is the case, I believe that they should really dust off those ERP Strategy documents.

If you don't have one, get some rapid advice on how to learn from the past and build a new ERP Strategy. It does not need to be an expensive consulting exercise to achieve this.

For example, an automotive glass manufacturer in the UK recently interviewed their key supply chain directors about where they needed to go over the next

5 years in order to meet their expected supply chain and ERP business challenges. All of the results, with direct quotes from the execs, found their way into a lovely colour graphic booklet.

But the buzzwords “SAP” and “IT” were cleverly excluded. Guess what? Everyone loved it, a real, living, ERP Strategy! To me that is a genuine breakthrough in our SAP industry for business buy-in and ownership. What do you think?

We also know that many SAP customers are revisiting their ECC to S/4HANA upgrade plans, due to the SAP 2027/2030 ECC end of life extension. Sounds to me like another scenario where it makes complete sense to dust off that ERP Strategy...



ABOUT SAPTURE XPERTISE

Sapture is a specialist SAP recruitment agency. We focus purely on providing services within the SAP Ecosystem; across both permanent and contract markets; and solely on Australia and New Zealand. Our vision is to be the No1 SAP Recruiter in terms of Knowledge, expertise, innovation, service and understanding of the ANZ SAP Ecosystem.

Our expertise

Through Sapture Xpertise we aim to;

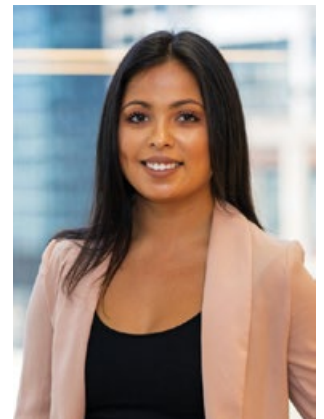
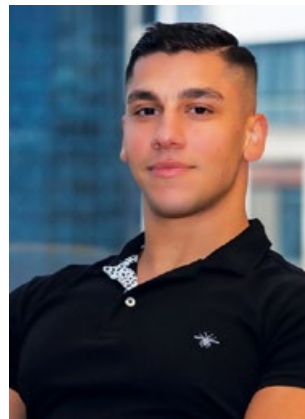
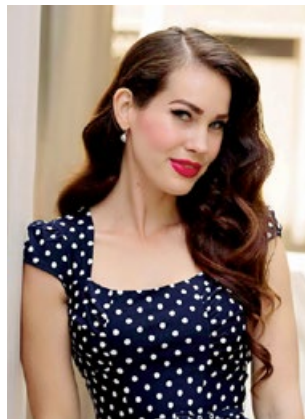
1. Share insights and knowledge with our communities
2. Assist in enhancing professional skills and personal branding
3. Provide or facilitate networking opportunities.

Achieving this relies on collaboration, we believe that together we are most definitely stronger.

Maybe you're considered a Thought Leader or an expert in your field, perhaps you have first-hand experience of overcoming challenges around S/4 Hana implementations or just have a very strong opinion about any SAP matter.

We would love to partner with you on webinars, podcasts or virtual events, where there are opportunities to speak, present or be a panellist. We also profile SAP experts through our 60 Seconds in SAP blog series and inspirational women through our Women making SAP Happen initiative.

If you would like to be involved in any of these or have some ideas of your own that you would like to run by us then give us a call.





MAKING SAP HAPPEN

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