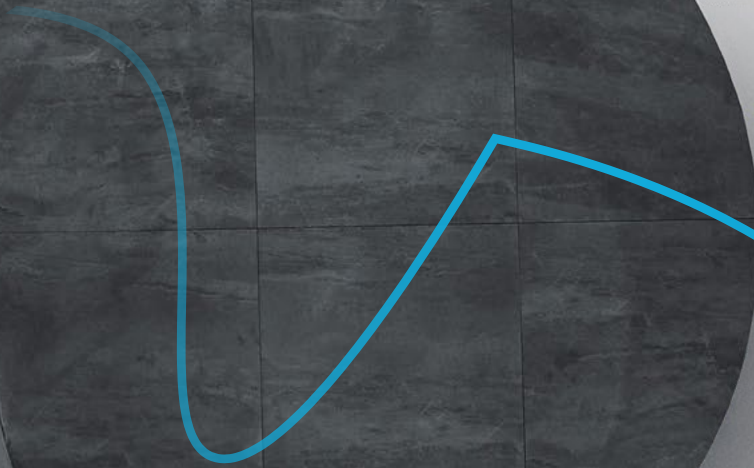




EVOLVE SAP THROUGH CONTINUOUS DELIVERY AND INNOVATION

Rethinking your current
approach will ensure
sustainable success
into the future.



Are you ready to be an SAP S/4HANA®-enabled Intelligent Enterprise?

AFTER 50 YEARS OF DOING IT ONE WAY...

SAP is the biggest provider of business applications globally. It has the largest install base of all existing clients who have achieved significant benefits over many decades through the continuous exploitation of its different modules, transactions, and reports.

Once an application that fought the millennium bug, underpinning the globalization strategy of many large multinational organizations across all industry sectors, SAP became part of the IT furniture. Alongside it, a partner ecosystem and large IT functions developed to roll out and support SAP with many methods and tools that became ingrained as the way to effectively support an SAP platform.

Was this avoidable? Not really. The best practices and tooling of the time would have been adopted and they would have achieved what was required at the time.

As the Software as a Service (SaaS) trend appeared and spread across the business application market, SAP software lost its ability to excite business users and the CxO suite. Therefore, “keeping the lights on” and “doing more for less” became the order of the day. SAP became the back office – important, even business critical, but no longer interesting or viewed as an enabler to create significant business value.





... NOW IS YOUR OPPORTUNITY TO CHANGE, DON'T MISS IT!

Since the introduction of the in-memory database SAP HANA®, software has been evolving quickly toward a new vision of the Intelligent Enterprise with cloud-based, in-memory-enabled applications such as SAP S/4HANA® and the SAP Business Technology Platform (BTP) to name just a few. These innovations are stirring up the SAP market and causing disruption that could change the way business applications are viewed and used as the backbone of more edge-to-edge business processes.

In addition, with the advent of RISE with SAP, the approach to accessing the SAP application suite from a pricing and platform perspective is changing massively. In this case, the IT disruption being caused is around how management and support of the estate is delivered.

Many SAP users are now seeking to transform with these newer applications to achieve the business benefits that modern applications can offer. New business processes and models, such as servitization, are increasingly available and with SAP at the heart of these complex architectures, supporting new and unique business processes, it is back at the forefront of delivering competitive advantage.

To fully exploit these new applications, often in combination with existing SAP investments, users must consider how they transform their IT organizations. When SAP was just back office and “keeping the lights on,” doing minimal “enhancements” was the default approach. But now, with new applications on new technologies, new ways of working must be adopted to exploit data and insights that increase the resilience of the SAP estate while also increasing the pace of continuous development. Capgemini has a term for this, the Renewable Enterprise, which describes an organization and an SAP transformational approach that builds on the strengths of the past whilst bringing in the best practices of the future.

As the pace of change has accelerated and the world now seems to be in a “perma-crisis,” organizations must be able to quickly implement change in order to take advantage of opportunities, develop their capabilities, and ensure their resilience. To achieve their strategic goals and vision, businesses require the necessary tools and resources to facilitate and enable such changes.

IF IT WERE EASY, THEN EVERYONE WOULD BE “DOING” IT.

“Delivering quality applications with increased agility isn’t as simple as “doing” agile or DevOps.”

Bill Holz, VP Analyst, Gartner

Change is hard. The human condition is to resist change even though it is occurring all around. The change in the SAP product suite was driven by external disruption from new client requirements; and the change toward a continuous delivery and innovation approach is essential to truly satisfy these requirements in the new cloud-enabled, digital SAP world.

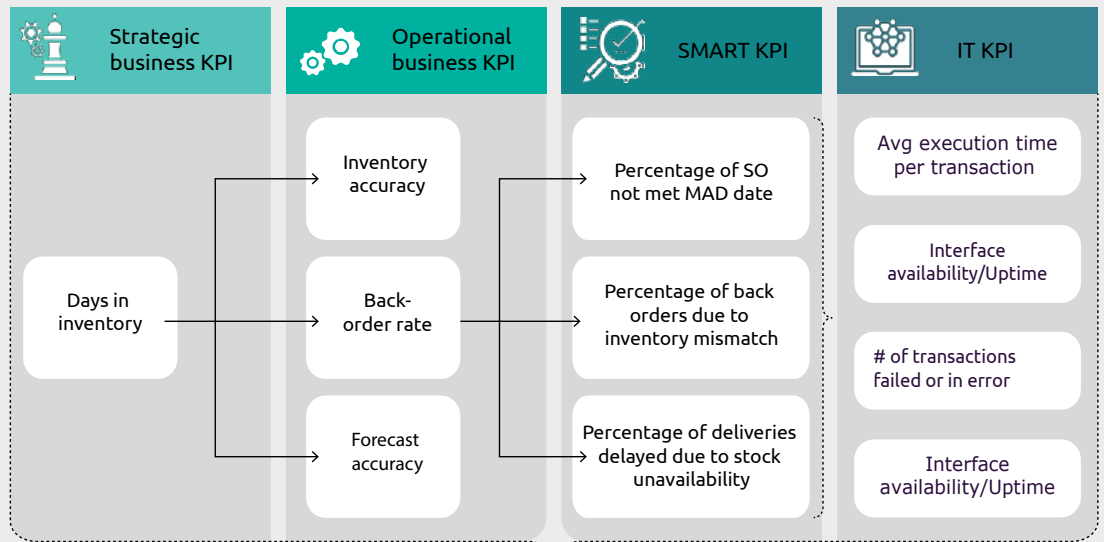
To help us with the change, it is important to also understand the interconnectedness of many aspects of what we are trying to achieve. To become a Renewable Enterprise that is able to continuously develop and achieve benefit from SAP investment, we must consider the following areas and re-establish an integrated approach, including business and IT, to deliver on them.



GIVE THE BUSINESS WHAT THEY WANT!

As IT becomes more complex, the best measure of success will be what the business wants – IT must be able to measure its performance based on business process outcomes. And since we're looking at continuous delivery, the ongoing, not simply the one-off, tracking of value must be a part of the IT DNA.

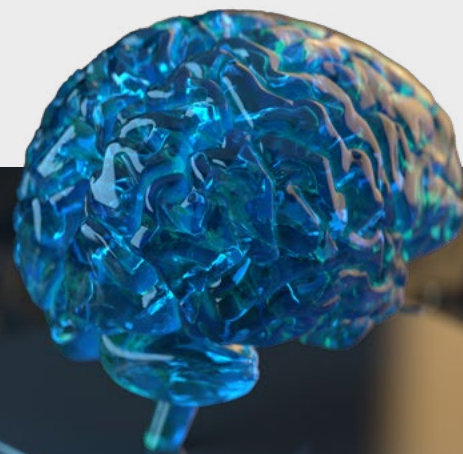
Supply Chain Observability – Strategic to IT KPI hierarchy



The concept of Business Observability, described by Gartner as a digital immune system¹, combines technologies and practices, such as AI and SRE, to ensure the stability of the IT estate that underpins business processes. For completeness, Capgemini would recommend the inclusion of business process mining to focus on the ongoing efficiency of business processes in addition to stability. This “business immune system” is a closed loop so that observability and mining insights can drive continuous business and IT improvements, covering automation right the way through to predictive monitoring, proactive self-healing, and insights-driven process improvement. This ensures moving from reactive to preventive to predictive, using automation and other AI-enabled solutions.

With SAP, and its recent acquisition of Signavio, the ability to build a process observability platform is inherent in the Intelligent Enterprise suite but, without a conscious focus on the alignment of business and IT outcomes, the opportunity for refocusing and continuous renewal could be lost.

¹ Top Strategic Technology Trends 2023 – Gartner, Jan 2023





LET'S CHANGE IT FASTER...

The speed of change often accelerates as a reaction to external crises that can originate in the market or from competitors. But this pressure could also be from an increasing need for innovation to drive proactive disruption or even to simply exploit the latest capabilities delivered by more frequent software releases.

To drive change forward effectively across the landscape, one size no longer fits all, so more digital, cloud, or data-enabled ways of working are required. In this context, “size” often means speed, so a multi-speed approach not only requires exploiting agile in some areas and DevOps or DataOps in others, but also recognizing the rigor of more traditional waterfall-based approaches, as well as the importance of ITIL processes such as incident and problem management for maintenance and operations.

And to ensure that these combined new and old approaches gel, it's important to consider some of the more detailed strategic activities, including:

Landscape strategy. In a hybrid cloud SAP landscape, the management of different components to ensure integrity and consistency is essential – as is the inclusion of approaches such as FinOps and GreenOps. Historically, this was reasonably straightforward for organizations, but now, with different components undergoing regular releases adding to the complexity, a new strategy is required with the use of the latest tooling. Capgemini's Multi-Pillar SAP S/4HANA® Architecture (MPSA), which underpins the Renewable Enterprise, provides a best-practice architecture and strategy and is indicative of the level of thinking that needs to go into this strategic area.

Documentation strategy. Delivering continuously requires a solid baseline of documentation on which to ensure stability, and that requirements are correctly tracked and shared. With different components and development philosophies, this can require different tools and techniques to avoid falling back to traditionally slow approaches.

Enablement strategy. Faster does not necessarily mean better, especially if we are not able to bring the user community along. It's crucial to ensure that the right level of education and easy access to support is provided so that each change delivers its expected benefits.

... BUT LET'S NOT BREAK IT.

The SAP suite of applications is now back at the center of complex architectures, surrounded by multiple other applications, technologies, and devices, in a true edge-to-edge solution. So, to maintain stability and resilience of the estate, and ultimately its business processes, Capgemini's Business Assurance services for SAP products is required, covering aspects such as quality engineering and site reliability engineering (SRE).

Effective quality engineering in an SAP context ensures that any changes going through our new multi-speed development tracks are not negatively impacting the business performance of the live environment. It also takes into consideration that, as the volume of change increases, cost should not grow proportionally. A Sogeti report, in partnership with Tricentis, highlights the challenge.²

Embedding quality engineering into the end-to-end development process necessitates best practices across the different phases of the development lifecycle, as well as the exploitation of the latest tooling for automation, data obfuscation, and landscape alignment. In a continuous development scenario, quality engineering needs to be an integral part of the development process to ensure cost effectiveness and efficiency, as well as the ultimate objective of high-quality business outcome delivery.

And while quality engineering secures the development process, it is also important to consider proactive initiatives under the scope of SRE to test the overall edge-to-edge landscape for stability and resilience. A thorough observability regime must be in place starting with the business outcomes, as described above, with full traceability through to the underlying enterprise IT, as well as any peripheral operational technologies. Using techniques like chaos engineering, proactive incident responses must be tested, and on the occasions that significant issues do occur, blameless post-mortems must take place to drive continuous improvement.

²State of Worldwide Business Assurance for SAP Solutions, Sogeti, Oct, 2021



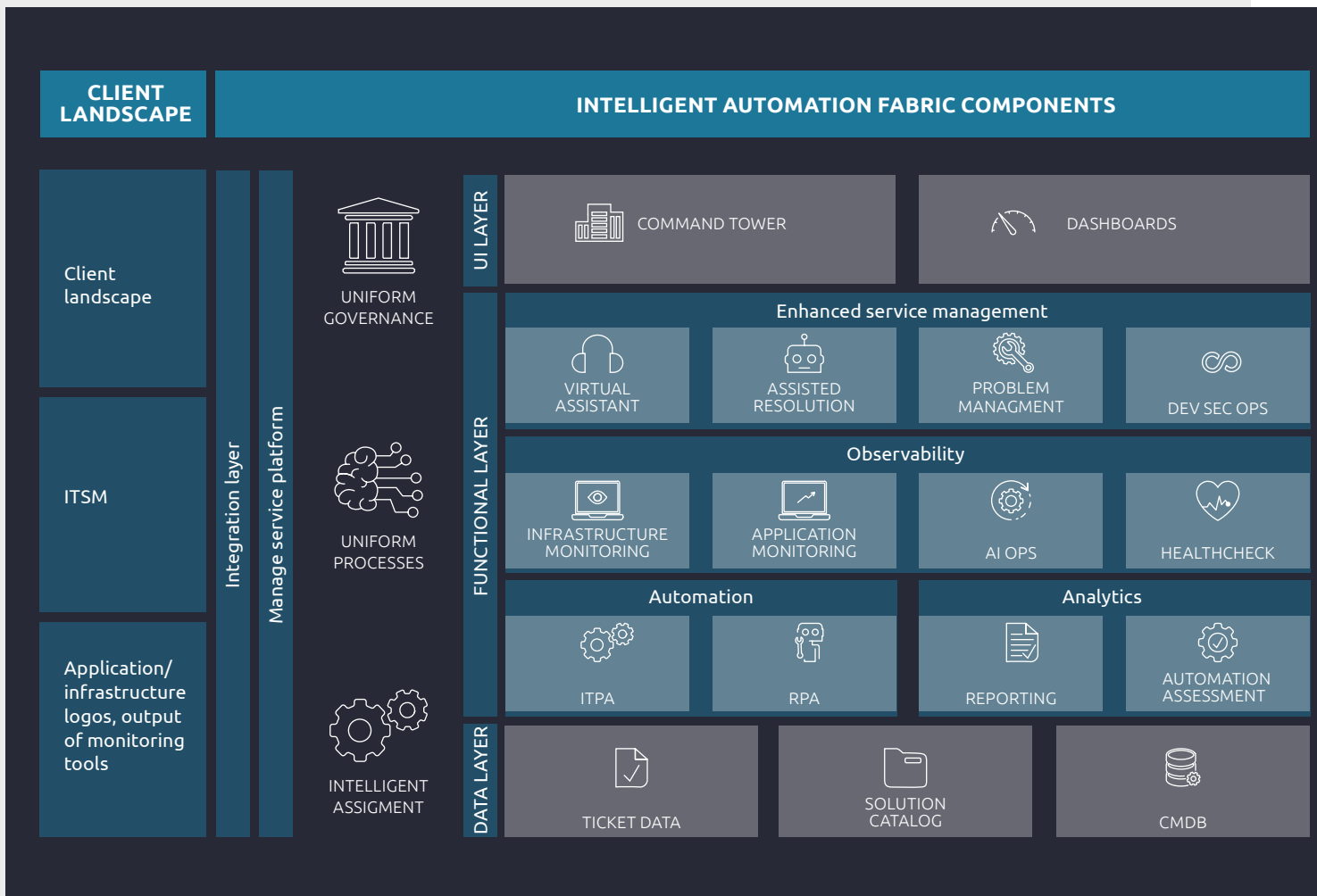
A PARTNERSHIP OF MAN AND ROBOT.

To support new ways of working, effective tooling must be used to increase the operational efficiency of IT processes, while also replacing certain tasks with AI/ML-enabled automation.

SAP Solution Manager has been available since the mid-2000s and has evolved significantly since its first incarnation as a replacement for previous desktop

implementation tooling. It now covers a broad range of application lifecycle management capabilities for SAP-centric environments.

Capgemini adopts a fabric-based approach to tooling where we exploit the latest market assets combined with our own experience and accelerators. The following diagram shows the different components required:



The implementation of an SAP-centric approach to an intelligent automation fabric is a separate topic all of its own, but for the implementation of a continuous delivery strategy, there are some key topics for consideration:

1. **Release management.** Integration is a great strength of SAP but, without proper consideration of its impact, it can become one of the shackles that prevents continuous delivery. Maintaining an integrated landscape requires a well-considered strategy, such as MPSA, that maintains integrity while also being able to support fast-paced changes from new product releases and new customer requirements.
2. **Template management.** SAP has always been a platform that can deliver common processes at a global level in many functional areas, such as finance and procurement, and this will continue to be a requirement. But in other areas such as customer experience or marketing, there may be a need for more flexibility, which traditionally breaks the template management approach. A continuous delivery approach will not only adopt and recognize the value of a template in certain areas but also acknowledge the need for pragmatism where necessary.
3. **Traceability.** Across both areas, there must be traceability of requirements through to solutions. This will necessitate proper rigor where it is required, for example, to support regulatory compliance, but it will also be supported by the right choice of tooling. In this case, the correct use of the SAP Business Technology Platform to maintain configuration outside of a clean core, and taking advantage of the platform's inbuilt tooling, will help achieve traceability across the entire system. This will result in a more optimized landscape that enables faster and more automated testing of standard processes.





LET'S SET UP FOR SUCCESS!

Bringing all the components together, it's important to consider the structure of a "new" SAP center of excellence. Looking at many of the CoEs that have been established as clients rolled out SAP, they have followed the trend that we have seen with the SAP software itself, which is to become focused on supporting and sustaining this business-critical asset. As IT budgets have been diverted to the business with more SaaS platforms being funded from departmental budgets, the focus on the SAP solution has been on cost effectiveness and stability, so ways of working and the CoE structure have followed.

This "next-generation" SAP CoE must become the transformation engine for the organization, focusing

on the on-going delivery of transformational value, as well as the continued adoption and enablement within the end-user community.

As we've mentioned before, new SAP offerings are providing new opportunities across new areas of business, and this necessitates a different approach to the way an SAP CoE is viewed. In order to take advantage of the latest technologies and work effectively with a diverse set of suppliers in a collaborative partnership, CoEs must adopt a more business-focused and innovative approach. At the same time, it's important to maintain rigorous standards to ensure the stability and resilience of this critical business asset.

Where are you now and what could be your next step?

Clearly there is a transformation taking place in the SAP portfolio driven by changes that have happened across different dimensions. Changes can also be observed in customer requirements and expectations, so businesses are transforming to survive and prosper.

To really thrive in the current landscape, it is essential that the way that SAP is exploited changes, and we see the need for a new continuous approach, as described previously.

But how do we get there? We see two strategies that can be adopted to proactively make the change:

1. **During an SAP S/4HANA® business-led transformation project.** Undertaking such a project presents a unique opportunity to transform not just the business, but also the IT infrastructure that supports it. During the design phase, and in the Buildprint within Capgemini iCaptivate, the importance of designing new business processes is equal to that of considering new IT processes, including exploring options for new tooling to enhance end-user experience and adoption. When executing the project in phases, it's crucial to also plan for an interim support function that follows the "continuous delivery" principles and expands as new functions are delivered. By establishing the interim support function early, the rollout team can stay focused on new deployments while ensuring the successful adoption of new processes and facilitating the continuous delivery process.

2. **Exploiting the current SAP investment.** In order to extract continuous benefits today, potentially (but not always) in preparation for an SAP S/4HANA® migration, various proactive initiatives can be undertaken that deliver value immediately, for example:

"Clean the core." Bespoke complexity can often be an inhibitor to fast continuous delivery, so in many cases it is worth considering whether a simplification of the core can help to accelerate the development path. Using MPSA with a composable architecture and tools such as BTP can also help to move complexity away from the core. Additionally, this simplification makes monitoring of interfaces and other technical objects easier, thereby improving the stability and resilience of the business processes.

Process optimization. Many SAP landscapes are surrounded by workarounds. This is because, over time, working practices have changed but IT has not kept in step due to the difficulty in making swift changes. With process discovery and mining tools such as Signavio, the huge volumes of transactional data in the SAP applications can now be converted into valuable insights that can pinpoint these workarounds and propose changes that streamline processes, reducing cost and accelerating throughput.



“Agile/DevOps/PODs.” Improving IT ways of working through the better alignment of development and support teams, and the exploitation of the latest tooling, can benefit any organization. The challenge in the SAP industry is often the perception of it being traditional and therefore not relevant. In our experience this is not the case, and even with no business transformation on the horizon, IT should be considering incremental change to ensure cost effectiveness and efficiency.

There is also a third way that we are seeing more often as projects are kicked off without consideration of the IT change needed to sustain the business change – you could call it “project rescue.” The SAP market, back to the implementation of SAP R/3®, has occasionally experienced such situations and, based on our experience, we believe that this is due to a lack of a continuous delivery approach. So, now is the time to avoid history repeating itself and set out on the correct road toward an in-memory, cloud-enabled digital Intelligent Enterprise.

The scenarios described above are examples. We know that each situation is different – if you would like to discuss yours, please don’t hesitate to get in touch.



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About Capgemini

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Learn more about us at

www.capgemini.com

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**GET THE FUTURE
YOU WANT**

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