



## No barrier to SAP progress

**68%** of SAP users believe their organisation **can get more** out of their SAP system

**49%** of SAP users confirm that **more SAP training** would benefit organisation

**54%** of SAP users say GFC has **not** impacted on their progress

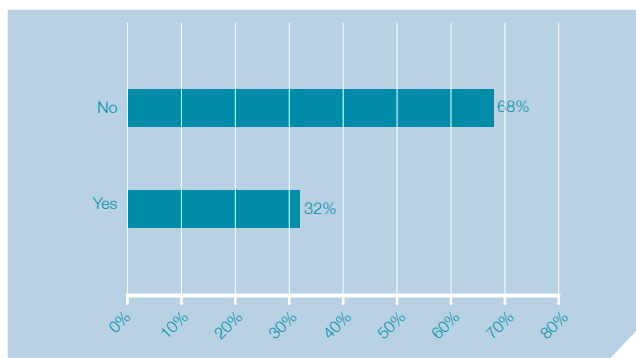
During Q4 2009, over 50 Australian organisations running SAP were surveyed to get their view on a range of topical issues. The results were somewhat surprising, indicating that the effect of the Global Financial Crisis (GFC) had little impact on their plans relating to implementing, extending or upgrading SAP.

## KEY FINDINGS AND RESULTS

Survey results indicate the main focus of organisations using SAP is to add incremental value through innovative system use, greater penetration of SAP across the organisation and implementation of additional functional modules. Training is highlighted as a key factor to improving system adoption and efficiency with ½ of all respondents indicating more SAP system training is required.

### Opportunity for improved SAP system ROI

#### Most organisations not optimising SAP benefits



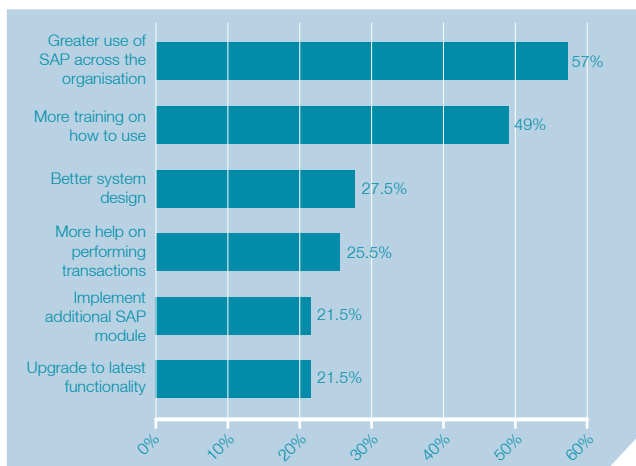
**Pulse Question:** Do you believe your organisation gets the most out of its SAP system?

*68% of respondents believe that their organisation does not get the most out of the current SAP system.*

Every organisation has an opportunity to improve SAP system use. Reasons for poor current return will vary according to each individual organisation. People factors such as training play a key part in improving returns.

### Improved Training and Greater SAP Use - Keys to Benefits

#### Success factors point to training



**Pulse Question:** What would help your organisation gain more benefits from the system?

*57% of respondents believe that greater use of SAP across their organisation would be beneficial while 49% of respondents believe that more training to end users would benefit.*

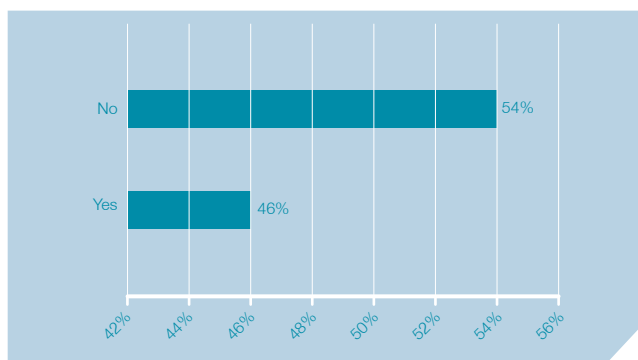
Lack of or poor end user SAP system training and little attention to long term training strategy is a consistent and key factor in gaining a greater return on SAP investment.

Using SAP across an organisation builds a solid skills base, increases knowledge and experience of end users and helps to streamline processes, creating a more efficient work environment.

By not providing effective training, organisations run the risk of end users becoming frustrated with SAP and are ultimately not effectively using the system. Upgrading system design and migration to the latest functionality provides an improved platform to optimisation.

# Global Financial Crisis (GFC) Impact Less Than Anticipated

## SAP Implementation Plans Not On Hold



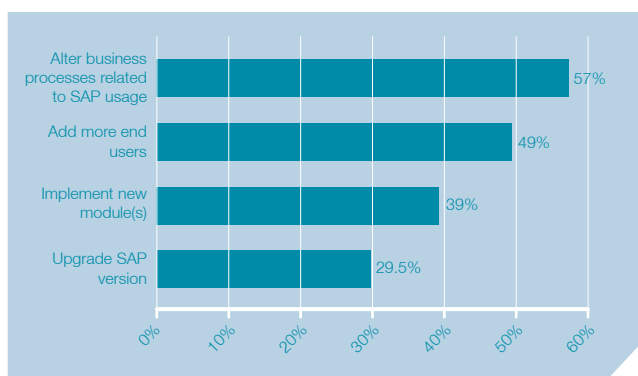
**Pulse Question:** Do you believe the current economic climate has impacted your organisation's current activities in terms of implementing and upgrading your SAP system?

*54% of respondents stated that their companies have not been impacted by the current economic climate. It is interesting to note that some companies have gone ahead and implemented new solutions or upgraded their current SAP system.*

If change management and training demand is used as an indicator for measuring whether the GFC has impacted SAP implementation, then 2009 and in particular the second half would indicate an upswing in organisations continuing with their plans to optimise and implement SAP.

## Plan to Push Forward with SAP

### Business process improvement and more users on radar



**Pulse Question:** Does your organisation have any of the following activities planned over the next 18 months?

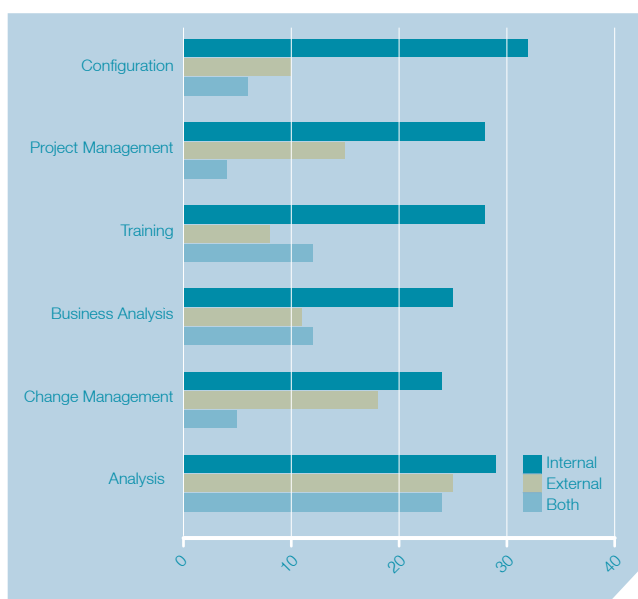
*57% of respondents stated that their organisation plans to alter their business processes related to SAP usage. 49% of respondents indicated that more end users would be trained in the use of SAP.*

Organisations are trending towards ensuring their business processes are fully aligned to SAP. Through effective integration and process optimisation operational efficiencies can be achieved, improving the coordination across functional departments, reducing duplication of processes and providing visibility across the whole organisation.

Organisations are clearly increasing their penetration of SAP and expect to add new users – the need for improved and effective training will be paramount in ensuring optimised returns.

## Internal vs External? That is the Question

### Organisations consistently leverage external expertise



**Pulse Question:** Does your organisation typically use internal or external resources for the following activities?

*76% of respondents stated that their organisation would use a combination of internal and external resources for specialist activities. 15% of respondents stated that only internal resources would be used, while 6.3% stated that only external resources would be introduced.*

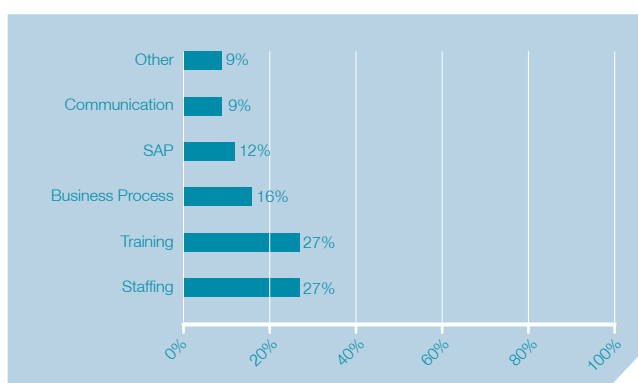
The initial cost of implementing new SAP solutions or upgrading a current SAP system is significant. By adopting standard SAP solutions a decrease in cost will be likely when organisations move away from customised versions of SAP.

It is important to integrate SAP solutions with business processes to ensure a smooth and efficient process is identified and adopted across the whole organisation. Where effective business processes have not been introduced, staff may have been forced to either use 'work-arounds' or customise processes to get the job done. This increases overtime, is ineffective and inefficient.

# More SAP Functionality on the Horizon

## Process streamlining and Performance Improvement Keys to Success

SAP Solutions	Business Processes
<ul style="list-style-type: none"> <li>+ CRM</li> <li>+ BW</li> <li>+ SAP Real Estate Module</li> <li>+ IS Retail Roll Out</li> <li>+ Procurement Implementation</li> <li>+ BW Upgrade</li> <li>+ Inventory Management</li> <li>+ ERecruitment Project</li> <li>+ BI Improvements</li> <li>+ Implementation of new areas of BW</li> <li>+ PS – CD implementation worldwide</li> <li>+ BW/ eRec (hopefully) Shared Services in portfolio</li> <li>+ Billing System</li> <li>+ BW</li> <li>+ Integrate e-Survey within SAP / Implement SAP Lite (Custom Distribution module) / BW</li> </ul>	<ul style="list-style-type: none"> <li>+ Business Process Reengineering</li> <li>+ Reengineering of the procurement process</li> </ul>
Infrastructure	Upgrade
<ul style="list-style-type: none"> <li>+ Infrastructure Upgrade</li> <li>+ Security upgrade to network infrastructure</li> <li>+ Technical Infrastructure upgrade</li> <li>+ Extensive system enhancements</li> </ul>	<ul style="list-style-type: none"> <li>+ ERP Upgrade</li> <li>+ Potential roll-out to other division internationally</li> <li>+ Upgrade of existing SAP</li> <li>+ Upgrade functionality</li> <li>+ R3 Upgrade</li> <li>+ Upgrade of Production Server/Landscape Review</li> </ul>
Other	Additional Comments
<ul style="list-style-type: none"> <li>+ External Projects</li> <li>+ Supply Chain Excellence</li> <li>+ Digesting recent SAP ECC6 upgrade and ironing out remaining process integration</li> <li>+ Shared Services</li> <li>+ Loyalty &amp; EMV Chip Card</li> <li>+ POS project</li> <li>+ Implementing ITIL methodology</li> </ul>	<ul style="list-style-type: none"> <li>+ Not sure – company takeover underway</li> <li>+ No major works</li> </ul>



**Pulse Question:** What will be the largest initiative/project for your business in the next 18 months?

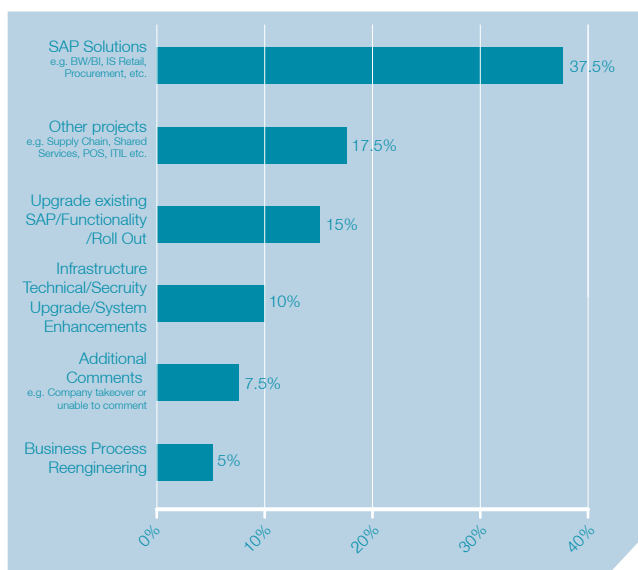
*37.5% stated that their organisation's largest initiative is to implement a range of new SAP solutions across the business.*

By implementing a range of new SAP solutions across a business, organisations are looking to streamline processes and raise the level of operational performance by improving process standardisation, efficiency and adaptability. Organisations should not underestimate the value in effectively communicating continued change and investing in effective SAP and process training to ensure users have the skills to utilise the systems properly.

# One in Two Indicate People Change is the Greatest Challenge

Under-resourcing and lack of training highlighted

Staffing	Training
<ul style="list-style-type: none"> <li>+ Not hiring additional resources</li> <li>+ Change resistance and fatigue</li> <li>+ Getting the business to agreeing priorities and provide necessary resources/ input to assist</li> <li>+ Staff retention</li> <li>+ Under resourcing in Technical Support team</li> <li>+ Resource restriction</li> <li>+ Team morale</li> <li>+ Limited resources</li> <li>+ Lack of User confidence, ie. lack of knowledge in the standard use of SAP</li> </ul>	<ul style="list-style-type: none"> <li>+ Changing multiple systems and the accompanying training impact</li> <li>+ Training</li> <li>+ Training and staff awareness</li> <li>+ Awareness of functionality and how it works</li> <li>+ Trying to get existing staff up to speed</li> <li>+ More training</li> <li>+ Training on new system enhancements</li> <li>+ Training people in the new processes</li> <li>+ Getting people sufficiently trained</li> </ul>
Business Process	Communication
<ul style="list-style-type: none"> <li>+ Making the business understand IT is simply an enabler</li> <li>+ Understanding of business process</li> <li>+ Agreement on universal SOPs</li> <li>+ Knowledge of business processes</li> <li>+ Comply with procurement governance, integrating to derive best practice processes are used between both businesses</li> </ul>	<ul style="list-style-type: none"> <li>+ Communication</li> <li>+ Poor communication between business and IT management</li> <li>+ Understanding what current users knowledge of the system is</li> </ul>
SAP	Other
<ul style="list-style-type: none"> <li>+ New R3 system – staff getting used to it</li> <li>+ Reverting from customised SAP to standard SAP</li> <li>+ Data extraction</li> <li>+ Conceptual understanding of SAP – change user paradigms</li> </ul>	<ul style="list-style-type: none"> <li>+ Sustainment through difficult economic times, whilst positing for greater growth</li> <li>+ Cost reductions</li> <li>+ Getting ITIL framework implemented</li> </ul>



**Pulse Question:** What is your biggest 'people related' challenge currently?

*50% of organisations stated that the biggest people related challenge they currently face is through resistance to change and under resourcing.*

*16% of organisations need to improve their business processes to ensure staff are aware of and understand the organisation's business processes.*

Organisations investing in SAP and expecting business returns should realise the need to involve, communicate and motivate SAP system users to fully utilise the new processes and systems. Lack of change management and training strategy will invariably result in reduced returns.

## CONCLUSION

The current economic climate has had little impact on organisations progressing their SAP plans. There is a clear correlation between greater return on SAP investment and appropriately skilled end users working to efficient SAP business processes. Improved end user training will help to optimise SAP.