



Stratecast

F R O S T & S U L L I V A N

50 Years of Growth, Innovation and Leadership

TAMING THE SAP MAINTENANCE BURDEN TO DELIVER BOTTOM LINE VALUE

An Executive Brief
Sponsored by IBM

AUGUST 2012

www.frost.com

TAMING THE SAP MAINTENANCE BURDEN TO DELIVER BOTTOM LINE VALUE

INTRODUCTION

SAP is the lifeblood of many businesses—the engine that keeps critical financial, operations, and marketing functions running. Not surprisingly, such a complex system, which touches multiple workloads and departments and databases, cannot run itself. Thus, enterprises continually face the challenge of maximizing SAP value and functionality while minimizing the maintenance burden.

The challenge is not restricted to SAP, of course. Overall, enterprise IT departments spend an estimated 70 to 80 percent of time and resources on maintenance functions, including software patches and upgrades, and equipment and network reconfigurations to support the upgrades. As a result, a well-run IT department may find that it can devote only 20 percent of its resources introducing new productivity- or revenue-enhancing solutions (such as collaboration, mobility, social business, and data analytics).

Even more frustrating: many enterprises have omitted SAP workloads from their efforts to introduce efficiencies and cost savings into the IT environment, such as their cloud strategies. They labor under the misperception that SAP and other legacy applications are too complex to migrate successfully to a public or private cloud environment.

The truth is much more positive. Businesses can realize cloud benefits such as scalability, faster time to deployment, and ease of administration for their SAP workloads. Most important—they can achieve cost savings that enable them to reduce the total cost of ownership for their SAP systems. But it takes the right cloud and the right partner to make it happen. It takes a partner like IBM.

In this brief, we debunk the myths surrounding migration of SAP workloads to the cloud. We discuss how enterprises can safely leverage the cloud for SAP. Finally, we assess IBM SmartCloud for SAP as a means for businesses to maximize the value of their SAP.

WHY BUSINESSES ARE RELUCTANT TO ENTRUST SAP TO CLOUD

Despite all the hype, many businesses still have an uneasy relationship with the cloud. Intrigued by the promise of lower costs and greater flexibility, they are testing cloud services, especially for less critical and new “built for the cloud” workloads. But they have yet to make a commitment. In fact, Frost & Sullivan research shows that businesses are simultaneously trying out multiple providers to host an average of just four workloads.

The “do it yourself” cloud approach espoused by many cloud service providers effectively encourages businesses to dabble, rather than to develop and implement a broad-focused cloud strategy that addresses real business needs. Many mass market cloud providers focus on the infrastructure layer only, leasing raw compute capacity by the Megabit an hour at a time. This leaves full responsibility for managing the application layer to the customer.

“Application-blind” cloud infrastructure services are limited in the value they provide to enterprises. For example, IT decision makers often curtail their cloud plans when they discover their cloud provider offers:

- Little or no support for planning or migration of workloads
- No service level agreements for application performance, only for availability of server resources
- Limited access to technical support personnel (and usually with an additional charge)
- No technical expertise in common business software
- No ongoing management of cloud workloads

With so little real support, it’s no wonder businesses consider the cloud too risky a territory for their big, complex, and mission-critical systems, including SAP.

It doesn’t have to be that way, though.

HOW TO SAFELY LEVERAGE THE CLOUD FOR SAP

What enterprises need is a cloud environment can reduce the overhead burden (in cost and time) associated with running SAP software, thus maximizing its value and decreasing the total cost of ownership. They can find it with IBM and its powerful SmartCloud portfolio.

IBM brings a unique set of capabilities to the market, based on its long partnership with SAP, its broad and deep SmartCloud portfolio, and its history of managing complex enterprise IT deployments. In addition to being a longtime SAP-certified provider of hosting services, IBM is a globally certified SAP partner for SAP cloud services, thus offering enterprises the assurance that IBM’s cloud solutions are designed and tested to support the complexities of SAP workloads. In addition, IBM can provide consulting and migration services that ensure that clients are supported in every aspect of their move to cloud. The company points out that its dedicated SAP practice includes thousands of SAP experts in 80 countries, with an average of nine years of hands-on SAP experience.

IBM SmartCloud for SAP allows enterprises to leverage the cloud to maximize the value of their SAP workloads and reduce total cost of ownership. Specifically, enterprises

benefit when the following attributes are introduced into the SAP environment:

- **Virtualization** – Virtualization maximizes flexibility of the SAP environment, enabling SAP workloads to be moved among environments (for example, private and public clouds). It also enables quick deployment and scaling of resources as needed, thus reducing costs associated with deployment.
- **Standardization** – IBM’s solution reduces the complexity of the SAP environment by standardizing common service components and processes. Enterprises can configure their customized SAP solutions using the comprehensive IBM service catalog of SAP-supported functionality. A standardized service portal offers enterprises visibility and control over not just SAP, but all solutions deployed on IBM SmartCloud, regardless of deployment model (premises-based or IBM-hosted; public, private, or hybrid). Furthermore, because the IBM SmartCloud portfolio is built on a common architecture and platform, SAP workloads and data can interoperate with other IBM cloud services, including SmartCloud Foundation, SmartCloud Enterprise Services, SmartCloud Application Services, and SmartCloud Solutions.
- **Automation** – By automating functions that are usually done manually, enterprises can reduce errors, reduce time spent coding and testing/fixing the changes, and deliver a more consistent result more quickly and at a lower cost. To this end, IBM is building tools to automate the most common SAP activities.
- **Lifecycle Management** – Enterprises can select IBM Managed Services as a way to reduce business risk and cost, while ensuring global efficiency. IBM’s managed services offers a global delivery framework with distributed architecture, enabling enterprises to deploy SAP applications quickly and consistently on a global scale. IBM and its certified partners can provide full lifecycle support for an SAP project, from initial blueprinting of SAP to development, migration and running and managing the production landscape. By leveraging IBM’s expert resources in cloud infrastructure and SAP Basis, enterprises gain staffing flexibility (since they no longer have to build and maintain these skills in-house). Instead, the enterprise can focus on the application, while reducing business risk and cost. By engaging an SAP Managed Services provider, enterprises can leverage the provider’s expert knowledge of cloud infrastructure and SAP Basis, freeing up their own technical staff to focus on SAP applications.
- **Tailored Levels of Support** – Businesses can choose the level of SAP management and support that best serves their needs. In addition to Full Service Landscape delivery, a fully managed option, IBM can also provide support for development and demo systems.

- **SAP Service Level Agreements** – While most cloud providers limit SLAs to infrastructure availability, IBM SmartCloud for SAP offers performance and availability SLAs at the application layer. This provides enterprises with the assurance they need that their SAP workloads will continually operate at optimal levels.

Furthermore, enterprises can turn to IBM for professional services engagements at any stage in their SAP cloud “journey.” This is an attractive option for the many enterprises that are unsure how to get started with cloud-based SAP. Experienced consultants and project managers can provide such services as risk assessment, strategic planning, and migration planning and implementation.

BENEFITS OF IBM SMARTCLOUD FOR SAP

By entrusting SAP workloads to IBM SmartCloud, enterprises realize a number of significant, business-enhancing benefits:

- **Reduced total cost of ownership** – IBM SmartCloud for SAP reduces the administrative, cost, and time burden of managing critical and complex SAP workloads. With less capital investment in hardware, faster deployment of applications, and fewer dedicated technical resources required, the budget-friendly solution will reduce the total cost of ownership for SAP.
- **Increased flexibility** – With IBM SmartCloud for SAP, new systems and enhancements can be deployed quickly, enabling the business to respond to changing market conditions. The on-demand work environment gives IT the ability to quickly shut down and redeploy systems as needed.
- **Increased efficiency** – IBM SmartCloud for SAP reduces the administrative complexity associated with SAP, enabling IT to streamline operations across all systems and deployment environments. In addition, by offloading burdensome SAP maintenance tasks, IT leaders have more freedom to deploy staff to other critical areas of the business. As an operating expense, IBM SmartCloud for SAP also offers budget flexibility, a valuable benefit to companies with tight capital budgets.
- **Increased strategic value of IT** – New technology solutions (including collaboration, mobility, and social business) are revolutionizing the way businesses operate. Therefore, it’s critical to success to maximize the value of IT personnel by allowing them to focus on initiatives that will bring strategic value to the company, rather than mundane maintenance tasks. With IBM SmartCloud for SAP, routine tasks are minimized, automated, and offloaded, enabling technical staff to devote more time and effort to innovative ideas. In addition, SmartCloud for SAP improves quality and reduces errors in workloads that are deployed, enhancing employee productivity and hastening time-to-deploy.

WHY IBM?

Enterprises looking for a partner to deploy SAP in the cloud will find that IBM is uniquely positioned to meet their needs. Among the reasons they can rely on IBM are:

- **IBM knows SAP** – IBM has more than a decade of experience deploying and managing SAP workloads for some of the world's largest enterprises. More recently, IBM has been certified as one of SAP's most valued global cloud partners. The close partnership with SAP enabled IBM to build SAP platform support as a core capability into its SmartCloud Enterprise+ service. That means enterprises can rely on IBM SmartCloud to support all SAP Business Suite and SAP Business Objects products
- **IBM can expertly manage SAP workloads** – With SmartCloud Enterprise+ managed services, enterprises have the option to rely on an SAP technical expert to manage their SAP workloads at the application layer. This ensures high performance levels, without requiring continual investment in enterprise IT staff.
- **IBM SmartCloud supports any cloud deployment model** – IBM's SmartCloud portfolio is built on a common technology platform that is fully integrated across deployment models and service types. Enterprises can deploy their SAP workloads in a private, public, or hybrid model. The SmartCloud portfolio includes
 - **SmartCloud Foundation**, which enables enterprises to build a private cloud in their own data center.
 - **SmartCloud Enterprise and SmartCloud Enterprise+**, cloud infrastructure and platform services hosted in the IBM data centers.
 - **SmartCloud Services**, a catalog of sophisticated IBM business software which can be purchased as standalone SaaS or integrated into applications built on the IBM SmartCloud Application Services platform.
- **IBM SmartCloud enables visibility and control** – Enterprises can deploy, monitor and manage their SmartCloud Enterprise workloads through a single, easy to use portal.
- **IBM supports global deployment of workloads** – As a global company itself, IBM knows the challenges that can accompany regional and global deployment of technology. SmartCloud Enterprise is supported in IBM's data centers worldwide, enabling enterprises to support their SAP and other workloads in the way that best meets their organizational structure.
- **IBM SmartCloud accommodates changes in business needs** – To accommodate business growth or shifts in market conditions, enterprises need a cloud partner with a broad enough portfolio to meet their current and future needs. Better yet, they need a partner like IBM with the vision and commitment to lead the next generation of cloud services.

Stratecast

The Last Word

As a means of streamlining IT operations, many enterprises are looking to reduce total cost of ownership for critical but labor-intensive systems like SAP. Unfortunately, most have steered away from the cloud as a solution.

Now, IBM is giving enterprises another reason to look at the cloud for SAP. With IBM SmartCloud for SAP, businesses can virtualize and deploy SAP workloads in the IBM cloud, introducing benefits such as scalability, flexibility, and fast deployment time. For enterprises looking for additional application-layer management support, IBM also offers SmartCloud Enterprise managed services for SAP.

For most enterprises, SAP workloads are too important and complex to risk in a commodity cloud service. At the same time, they are too costly and labor-intensive to remain unexamined. IBM SmartCloud for SAP offers the ideal solution: a flexible cloud environment designed for SAP and managed by IBM SAP experts. For many businesses, this is a cloud solution to embrace.

Lynda Stadtmueller

Program Director – Cloud Computing

Stratecast | Frost & Sullivan

lstadtmueller@stratecast.com

For more information about IBM SmartCloud for SAP, visit
www.ibm.com/smartcloud/sap

Silicon Valley

331 E. Evelyn Ave., Suite 100
Mountain View, CA 94041
Tel 650.475.4500
Fax 650.475.1570

San Antonio

7550 West Interstate 10, Suite 400
San Antonio, Texas 78229-5616
Tel 210.348.1000
Fax 210.348.1003

London

4, Grosvenor Gardens,
London SW1W 0DH, UK
Tel 44(0)20 7730 3438
Fax 44(0)20 7730 3343

**877.GoFrost • myfrost@frost.com
<http://www.frost.com>**

ABOUT STRATECAST

Stratecast collaborates with our clients to reach smart business decisions in the rapidly evolving and hyper-competitive Information and Communications Technology markets. Leveraging a mix of action-oriented subscription research and customized consulting engagements, Stratecast delivers knowledge and perspective that is only attainable through years of real-world experience in an industry where customers are collaborators; today's partners are tomorrow's competitors; and agility and innovation are essential elements for success. Contact your Stratecast Account Executive to engage our experience to assist you in attaining your growth objectives.

ABOUT FROST & SULLIVAN

Frost & Sullivan, the Growth Partnership Company, partners with clients to accelerate their growth. The company's TEAM Research, Growth Consulting, and Growth Team Membership™ empower clients to create a growth-focused culture that generates, evaluates, and implements effective growth strategies. Frost & Sullivan employs over 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from more than 40 offices on six continents. For more information about Frost & Sullivan's Growth Partnership Services, visit <http://www.frost.com>.

Auckland

Bangkok

Beijing

Bengaluru

Bogotá

Buenos Aires

Cape Town

Chennai

Colombo

Delhi / NCR

Dhaka

Dubai

Frankfurt

Hong Kong

Istanbul

Jakarta

Kolkata

Kuala Lumpur

London

Mexico City

Milan

Moscow

Mumbai

Manhattan

Oxford

Paris

Rockville Centre

San Antonio

São Paulo

Seoul

Shanghai

Silicon Valley

Singapore

Sophia Antipolis

Sydney

Taipei

Tel Aviv

Tokyo

Toronto

Warsaw

Washington, DC