

A snack bar of outsourcing

Every company needs a different scope of outsourcing



Almost everything related to SAP functioning in a company may be used in outsourcing. The choice of the scope of support depends on the company's strategy not only in the IT area.

SAP in a company – what then

Well-implemented and functioning SAP helps to gain a competitive edge, that is certain. However, everyday maintenance of the system causes plenty of tasks that require expenses.

The system must have administrators, its efficiency must be monitored, the functioning of its servers must be controlled. Also it is good if simple development works can be executed in the company. Besides, employees using SAP create a number of questions that result, for example, from the lack of knowledge about the system.

That is why most companies using SAP decided to create their own teams, whose main tasks are administration, current problem solving, and SAP development. Such teams are composed of IT specialists – SAP administrators.

Moreover, SAP maintenance involves key users of the system from particular areas (like accounting, controlling, sales, HR...). They serve as an internal help desk, helping end users in everyday work, and also carrying out some development works.

It is more expensive and more risky on your own

Creating such a team requires a long process of building competencies, which in turn involves training expenses.

If we have succeeded and we have qualified people, our problems are far from over, as we must take into account the following:

- constant developing the team's skills
- ensuring sufficient salaries for the employees, otherwise they will leave and new ones will have to be trained

- holidays (26 days mean 5 weeks a year, not to mention maternity leaves and others)
- doctor's leaves – assuming 5 days a year, our employee is unavailable for another week and what if the illness lasts a few or more weeks?

So an employee's availability is far from 24h a day, 365 days a year. Absences may coincide with problems with system using.

And then it may come to the worst – there will be nobody to solve the problem. It is useless to mention the possible results of the most important functions of SAP being inaccessible even for one or two days.

It must also be taken into account that most people involved in SAP maintenance have other duties, too.

This concerns IT specialists, but first of all the key users. Involving them in helping colleagues in SAP using leaves them less time for their basic tasks. And key users are often controlling, or sales managers... and the effects may be disadvantageous to the company.

Control the costs and nerves

The less people use SAP in the company, the less functions are used and the less economic sense in keeping wide SAP competencies in the company.

A team of administrators may of course be smaller, but then the risk of their unavailability will increase. Besides, one person is not able to specialize in the operational system, data bases and SAP system at the same time, not to mention tasks such as migrations, upgrades or advanced performance tuning of those components.

A solution is to pass the chosen range of duties on to an external company, an outsourcer specializing in SAP.

At a previously settled lump sum such a company takes up the responsibility to solve problems related to SAP maintenance, thanks to which we do not have to worry about availability of specialists.

We gain certainty that on a given medium (Internet, telephone, fax, mail) we will find a competent person who will immediately start solving our problem.

A smaller company will gain a lot by paying a lump sum for SAP external competences. On the other hand, a bigger organization means a wider scale of possible savings.

Moreover, maintenance and development of a bigger SAP installation is connected with the necessity to have more specialized knowledge that may be provided only by external consultants, experienced in SAP administration in different environments.

What to choose from

SAP using requires equipment (servers and user terminals), an operational system, a data base, SAP system, business data, data backups, and finally people – administrators and users.

Except for business data which are always the company's property and user terminals (whose maintenance is a problem of a totally different kind), all may be the object of outsourcing, and to different extent.

Due to their scope, we may divide outsourcing services into 4 groups: infrastructure (like servers, backups), Basis service, application service and business processes outsourcing (connected with performing the client's business functions by the outsourcer's employees).

In every group one may choose particular variations which will be discussed in more details below (without the most rarely used business processes outsourcing).

Infrastructure (hardware) outsourcing - variations

The following options are available:

- SAP collocation – servers are the company's property but are located at the outsourcer's, and in its care
- SAP hosting – servers are the outsourcer's property, we just buy their calculating power
- ASP model for SAP – not only servers, but also SAP licenses are the outsourcer's property and we only pay a lump sum for using SAP

Basis service

Regardless of the infrastructure used by SAP systems, Basis service is indispensable. It may include full systems administration – the outsourcer is fully responsible for correct and efficient functioning of the system on the Basis level.

Outsourcing may also be limited to supporting client's administrators in some actions, for example it may include:

- guaranteed time for reaction to a breakdown in productive systems

- an availability of experienced Basis service consultants at particular times in case the client's administrators have inquiries
- remote system monitoring on a regular, settled basis
- on-the-spot consultations on a regular, settled basis

Application service options

Application service may consist in key user support (key users pass to the service only more complex questions and problems).

It may also include end user support– then the service consultants handle inquiries from all SAP system users, taking the load off key users.

Outsourcer may also take full management of a SAP module in outsourcing, on behalf of the client managing business process and developing the system.

For example, a HR service consultant may for the client update (according to the changes in the law) modify the payroll rules in mySAP HR. More advanced functions in this scope overlap with business processes outsourcing.

For everyone something different

What scope of duties should be given in outsourcing depends on the company strategy, on the long-term vision of IT in the company. Therefore there is no unified recipe. The best option will be different for every company.

It is worth remembering, though, that regardless of the scope settled in the outsourcing contract, the advantages to be taken are the following:

- stability and foresee ability of SAP maintenance costs
- lower costs of keeping SAP competence costs inside the company
- fewer problems with internal SAP specialists being unavailable
- quicker problem solving, as it is done by widely experienced people
- focus on the basic duties on the part of the company and its employees

BCC outsourcing services

BCC Outsourcing Services Department

BCC has its outsourcing services department which serves as a service organization supporting BCC clients and is responsible for the development of company's outsourcing services.

The department is composed of an application service team (consultants specializing in particular functional areas and SAP solutions) and IT consultants team (specializing in SAP technology, data bases and hardware and software platforms of SAP systems).

Waldemar Sokółowski, department director, comments: 'The outsourcing services department carries out two basic tasks: it makes the world of SAP solutions more accessible to those who want to invest in SAP and provides a strong competence center, efficiently solving even the hardest problems with SAP use, for those already using the system. While creating the competence center we aimed at helping the clients to obtain answers to their questions. A client receives a guarantee of the availability of consultants who are specialists in a given solution. If necessary, also specialists in other areas are assigned to the task. Everything with an assumption of a single contact point between a client and BCC.'

Certificate of SAP Competence Center

Since May 2004 BCC service organization has had a certificate by SAP Competence Center. The certificate was granted by SAP Poland after a detailed audit of competencies and procedures used by BCC service team.

Thanks to that the clients that purchased or will purchase SAP licenses from BCC and concluded an outsourcing contract with BCC may use BCC consultants as agents in contact with the global SAP service organization.

For clients it means a better use of the knowledge of SAP global service. Connecting their knowledge of the client's system with long-standing experience and an access to SAP service, BCC consultants may quickly recommend a client the best solution to the problem.

BCC clients use outsourcing in various scopes

The clients has been using BCC outsourcing services since 1999. Now (February 2005) BCC service organization supports 12 clients, including the following (besides the companies mentioned in the article): Mokate SA, Opoczno SA, PWP sp. z o.o. (Wolters Kluwer Group), Sanitec Koło sp. z o.o., Zachem Chemical Plants SA.

Every outsourcing contract between a client and BCC defines the scope of services individually, in order to tailor it to the company's needs.

A way to reduce SAP costs

Przemysław Myśliwy, a member of the Board, Confectionery Factory Kopernik SA: 'For our company a comprehensive SAP outsourcing, which we use from BCC, means a way to reduce SAP maintenance costs. We did not have to buy a hardware platform to use SAP, we only bought disc space and calculating power on servers owned by BCC. All administration is also done by BCC specialists. We do not have to train and maintain our own team of administrators. In our opinion, this just pays off'.

Specialized assistance

Mirosław Jastrzębski, IT and Telecommunication Office manager in ZEC Bydgoszcz SA: 'For four years our systems have been covered with remote monitoring by BCC, three times a month. The most complex problem, identified during monitoring or spotted by our specialists, are solved during a routine monthly visit of a BCC consultant in our office. During such a visit a consultant also performs other planned tasks like a system or data base upgrade. Our contract also guarantees a time of BCC service reaction to problems with the productive system work and a phone support in Basis. There is no need to train and maintain specialists in all areas. It is better to rely on a good partner who, if necessary will supplement our competences and provide specialized assistance'.

Solving unusual problems

Adam Parysz, SAP coordinator in Orkla Press Polska group: 'Our IT strategy assumes having our own team that maintains and develops SAP system. The contract with BCC defines in detail the scope of support we need.

It guarantees a Basis consultant from BCC service organization being available on the phone. Consultants monitor our system, identify sources of possible problems and indicate the ways of improving system efficiency. We can cope with some problems on our own and if necessary we take advantage of a consultant's visit, particularly if there are some unusual problems that require experience gained only through working with many SAP installations in different areas, like: our system migration to a cluster environment'.

Costs under control

Maciej Suliga, chief IT specialist in Elite Cafe sp. z o.o.: 'Why did we decide to use SAP administration outsourcing and we still expand our cooperation with? Because a permanent contract means stable, easy to plan costs of SAP maintenance; we know what we can get and at what price. Moreover, we do not have to worry about things like illness or holidays of an administrator. BCC guarantees availability of specialists at particular times and quick reaction to the problems we file. Any actions connected with SAP administration are performed by experienced consultants, which guarantees proper stability and efficiency of the system.

Higher work efficiency

Andrzej Nowak, Nordzucker Group in Poland: Our company carries out many projects, which aim at higher efficiency of company as a whole. IT is one of such areas. Using BCC support services allows us to focus on the most vital activities. For instance, within the application service, key users inquiries are received by BCC application consultants on duty. This takes a load off the Nordzucker employees who so far have served as an internal help desk. Thanks to that they can now fully focus on their most vital duties. Therefore, in our case outsourcing is reflected in work efficiency in such departments as finance, supply and sales'.



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