



Latest West Trax Study Data Confirms SAP UK MD's Concerns

On November 26th at the SAP UK & Ireland User Group Conference in Birmingham SAP's UK MD Steve Rogers challenged the delegates present to use their SAP assets more effectively. "I find it frustrating that the majority of you only seem to be using a modest slice of the software you have acquired," Rogers said.

West Trax recently repeated last year's groundbreaking SAP Cost / Benefit Study. Data was analysed from 269 benchmarks in 13 different industry sectors. The intent was to objectively examine the actual usage of SAP systems using the KPI Scan[®] methodology and to compare the results with those from the previous year.

The study data confirms Mr. Roger's view that SAP users are rarely exploiting the full potential of the software they are paying for.

Users were typically failing to fully exploit the potential of the standard SAP functionality that was available in their systems. In business areas where some SAP standard transactions had been used a very high proportion of the available standard functionality remained unused.

Even in most of the Best Practice systems in the study, more than 50% of the SAP standard transactions that were relevant to the users' businesses and available in their systems were not used. Users paid licence and maintenance fees for this software yet failed to exploit the potential to convert these costs into business value. Fig. 1

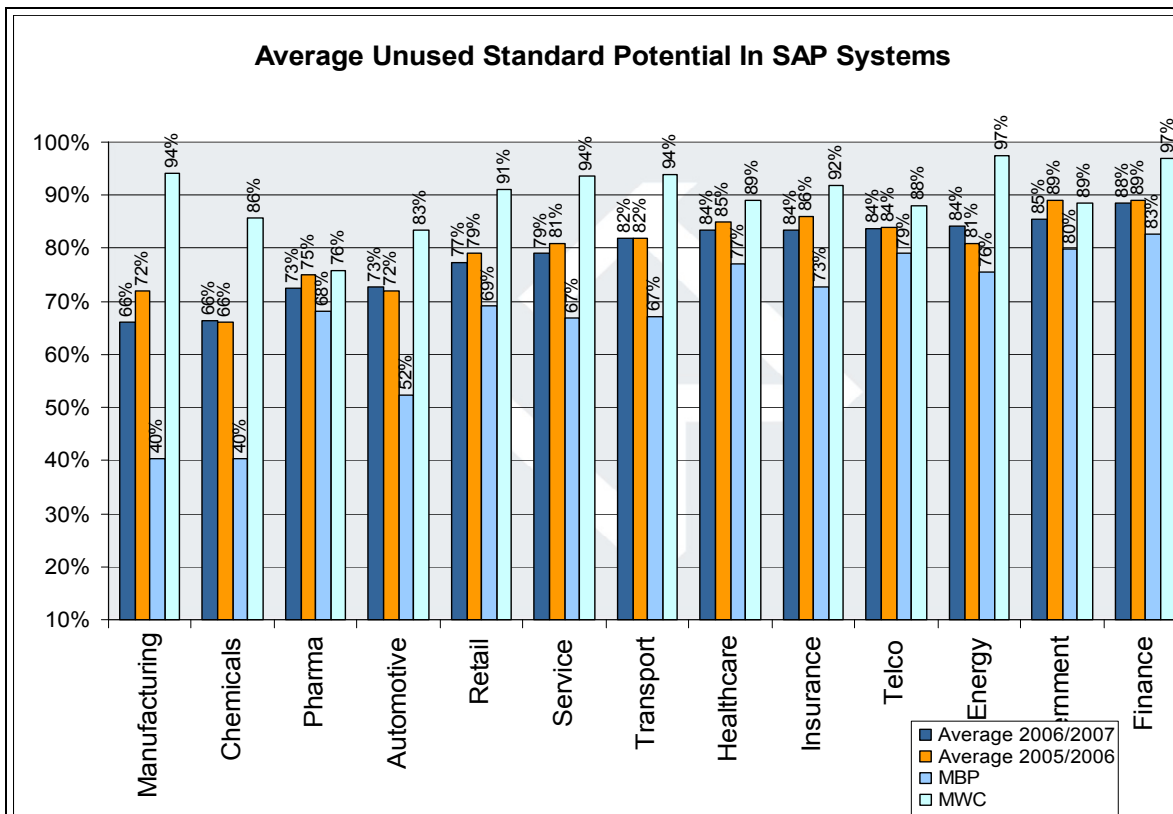


Fig. 1



Mr. Rogers also urged users to upgrade their systems. This message was repeated by Martin Reidel, head of SAP's global upgrade office who commented that UK organisations were amongst the slowest to adopt the latest version of SAP's core ERP product. The West Trax study highlights one of the possible reasons for users' reluctance to upgrade – the high levels of customisation in current systems.

In the systems analysed, between 20 and 40% of the transactions used were customised, incurring significant development and support costs in addition to SAP's licence and maintenance fees. In every sector the Measured Best Practice (MBP) values demonstrate that it is possible to operate using less custom code, especially as the Best Practice systems may themselves contain considerable unrealised optimisation potential. Fig. 2

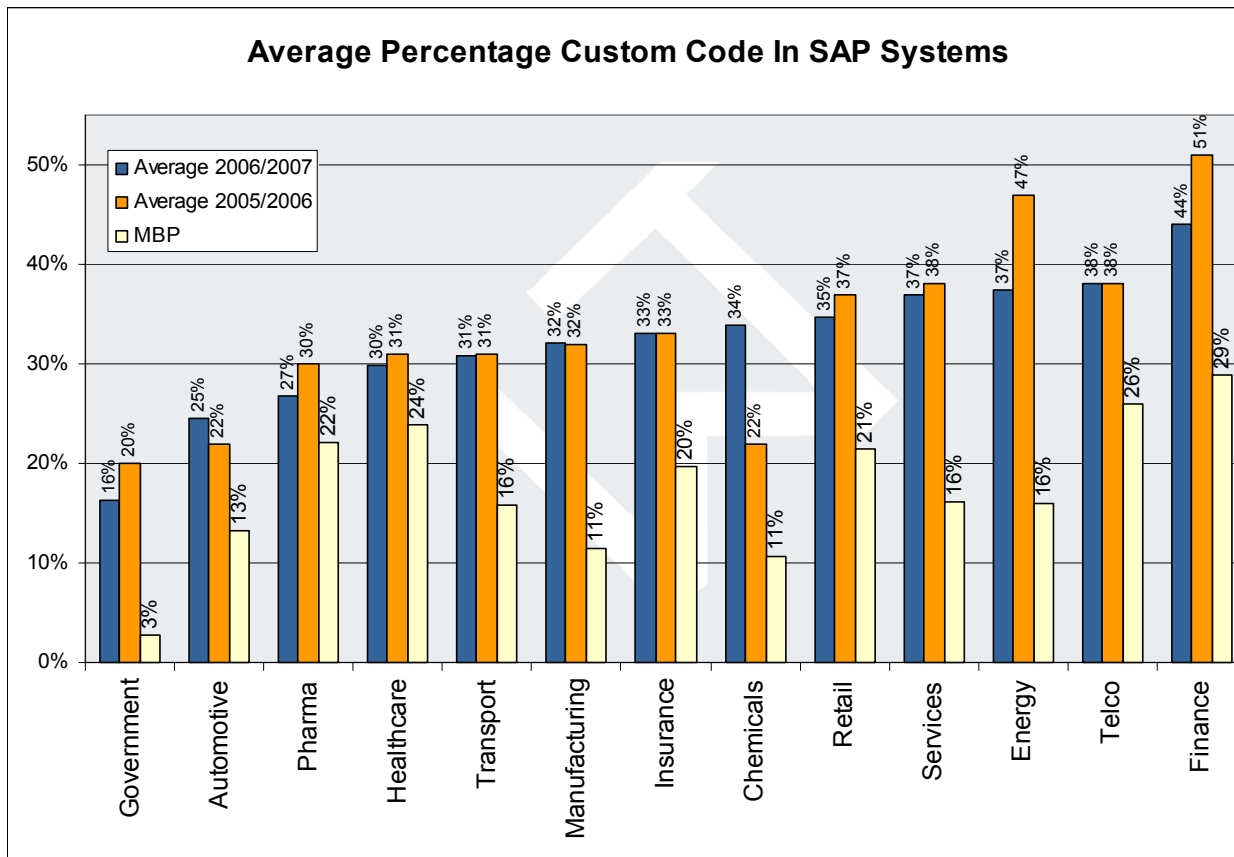


Fig. 2

The study also showed that in many systems much of the custom code was seldom or never used. Supporting this redundant code generates significant overhead in terms of maintenance costs, hardware requirements, time and skills. It also extends risks, costs and workload for projects such as upgrades, consolidation, virtualisation and outsourcing.

Establishing a baseline of current system usage and optimisation levels is an essential prerequisite for these activities. CIO's in many organisations are unaware of how frequently the standard and custom transactions in their systems are used. Often they do not have current accurate data with which to manage standardisation and customisation levels. As a result they are unable to accurately quantify and exploit the significant value and benefits that could result from system optimisation during a major project.



The results of the West Trax study identify the potential for optimisation and trends. Comparisons are given within and between industry sectors. Examples are given of enterprises that have successfully used KPI Scan[®] to establish system optimisation levels, reduce support and project costs and increase the value added to the business.

West Trax designed the KPI Scan[®] family of services specifically to provide metrics that would help organisations establish and continually optimise the value and strategic benefits gained from their investments in SAP. The data provided helps user management assess whether their SAP system is currently producing the optimal Return on Investment and business value.

For more details or to obtain a complimentary copy of the West Trax 2006/7 Study report summary please contact Ken Gorf at kgorf@westtrax.com

The Company

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