



SAP Enterprise Support

Act Now To Offset Increased Support Charges

SAP Enterprise Support Issue

The current hot topic for SAP customers is the increased support charges associated with the announcement of Enterprise Support and how to accommodate them within their already stretched IT budgets.

A high payback option that should not be underestimated is the opportunity to compensate for the increased charges by assessing current system optimisation levels with the goal of modernising SAP systems and minimising support costs. Regardless of current release levels and upgrade plans, now is the time to fully exploit the potential of this approach to compensate for SAP Enterprise Support charges.

For example, a SAP ERP Automotive system running Release 4.7 will typically incur additional costs of £320,000 over the period 2009 to 2012 because of SAP's Enterprise Support charges. Over the same period a typical Automotive Industry sector user could save circa **£1.1 million per system**, completely offsetting the extra SAP charges and delivering additional net savings of circa £865K.

Increased support charges due to SAP Enterprise Support can be partially or totally compensated for by eliminating all support costs associated with unnecessary custom code. West Trax has accumulated data from over 880 systems analysed to date. The results indicate that in over 90% of SAP systems there is the potential to make major support savings by eliminating or replacing custom code.

Fig.1 on page 2 illustrates typical savings identified for the automotive sector, and the major potential that is available to offset SAP Enterprise Support costs. West Trax benchmark data suggests that similar or greater savings can be made in all sectors. The West Trax benchmark database contains potential savings data from systems in 13 sectors as shown in **Fig. 2**.

The West Trax Opportunity

SAP customers should take maximum advantage of the possibilities to minimise their support and upgrade project costs. By taking the free anonymous West Trax [KPI Analyzer](#) test they can discover how much they could be saving. By answering 7 brief questions they can immediately see the potential for savings based on benchmark data from systems of similar configuration in their industry.



In the chart below Step 1 shows support pricing assumptions, Step 2 the KPI Analyzer process and Step 3 the savings obtained.

Potential To Offset SAP Enterprise Support Price Increases Based On West Trax KPI Scan® Benchmark Data					
Step 1					
SAP Enterprise Support Pricing Assumptions				Enterprise Support %	
No. Of Users	2,000			2008	17.0%
Per User Licence Fee	£1,250	Calculation		2009	18.3%
Initial Licence Fee	£2,500,000	£1250 X 2000		2010	19.6%
Annual Maintenance 2008	£425,000	£2.5 M X 17%		2011	20.9%
Enterprise Support 2012	£550,000	£2.5 M X 22%		2012	22.0%
Increase Per Annum 2012	£125,000	£550K - £425K			
Step 2					
KPI Analyzer Responses And results					
Q1/2 What Industry Is Your Company In?	Automotive				
Q3 What Release Is Your Production System?	4.7				
Q4 How Many Concurrent Users Are On Your System?	2,000				
Q5 How Old Is Your System?	2 yrs +				
Q6 How Many Custom Code Programs Do You Have In Your System (Z and Y Transactions)	1,500				
Q7 What Is The Internal Run Rate For SAP Support	£400 p.d.				
Average Potential Savings Calculated For Automotive	Based On Data From West Trax Benchmark Database	747 Man Days p.a.		£296,345 p.a	
Step 3					
Enterprise Support Costs and Potential Savings					
Automotive	Enterprise Support Price	Enterprise Support Increase	KPI Analyzer Potential Savings	Net Support Savings	Man Day Savings
2009 18.3%	£457,500	£32,500	£296,345	£263,845	747
2010 19.6%	£490,000	£65,000	£296,345	£231,345	747
2011 20.9%	£522,500	£97,500	£296,345	£198,845	747
2012 22.0%	£550,000	£125,000	£296,345	£171,345	747
Totals	£2,020,000	£320,000	£1,185,381	£865,381	2988
			Calculation	£1,185K-£320K	

Fig. 1

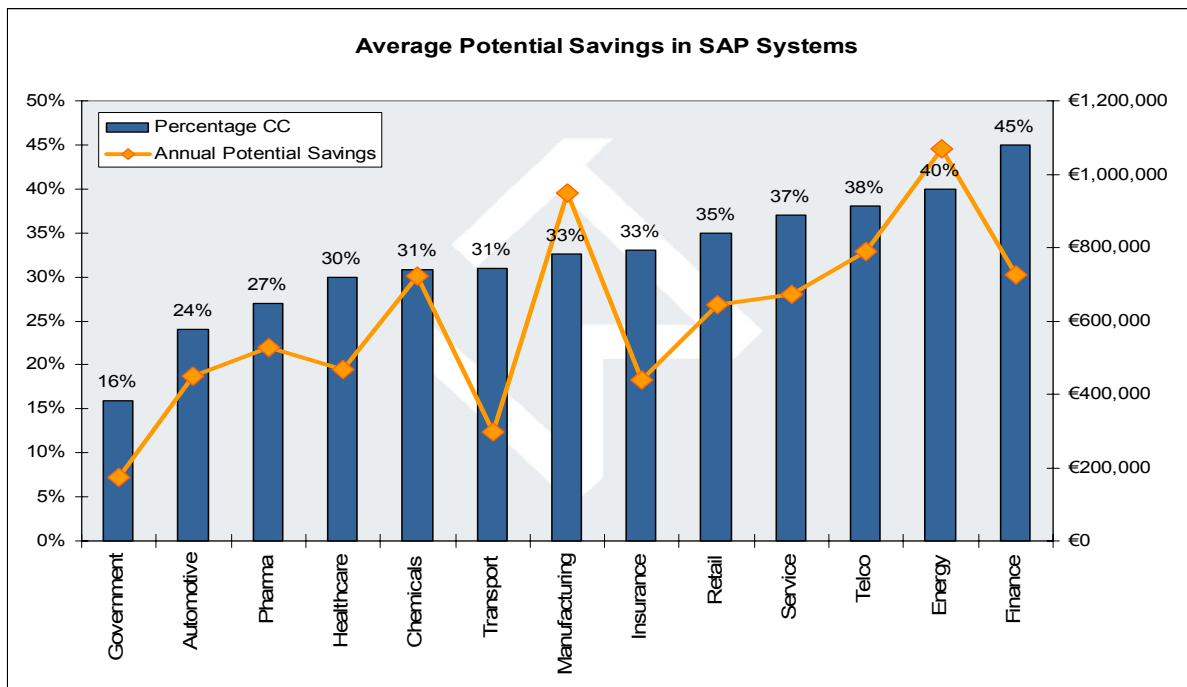


Fig. 2

Savings Opportunities

SAP's announcement of Standard Support extensions for customers running releases 4.6 and 4.7 eases the immediate pressure on plans to upgrade to ERP 6.0. This presents them with three major cost saving opportunities: -

A. Reduce support costs during the period prior to upgrading

Organisations may take advantage of extended Standard Support to modernise their current SAP systems and minimise support costs prior to an upgrade. SAP Enterprise Support charges can be offset by eliminating all costs associated with unnecessary custom code.

A KPI Scan[®] analysis from West Trax will rapidly identify custom code programs that are seldom or never used and could be eliminated. It will also identify those that could be replaced by available standard SAP functionality.

Taking action now to optimise custom code will produce significant year-on-year support savings to minimise or completely compensate for Enterprise Support price increments in the period prior to upgrading.

B. Minimise Upgrade Project Costs, Workload and Risk.

By acting to modernise systems now SAP customers can minimise upgrade project challenges and achieve the following benefits: -

- i. Elimination of unnecessary custom code ballast prior to upgrading.
- ii. Objective independent usage data ensures improved system transparency, accurate project scoping and budgeting.



- iii. Lean, pre-optimised systems reduce upgrade project workload, costs, duration and risk.
- iv. Evaluation and selection of project partners can be based on accurate system usage data.

C. Reduce post-project support costs and maximise ROI year-on-year

Trend data to support ongoing system optimisation can be provided by regular post-project KPI QA[®] analyses from West Trax. This will result in significant year-on-year support savings that will minimise or completely compensate for Enterprise Support price increments in the period after upgrading.

SAP customers can discover how much they could save by taking the KPI Analyzer test at <http://www.westtrax.com/assessment-tools/kpi-analyzer-cio.html> . Alternatively they can find out how a KPI Scan[®] analysis could help minimise support costs by contacting contact West Trax at mail@westtrax.com.

About West Trax

West Trax is a service provider delivering management consulting and IT consulting services. Founded in 2003, the company combines many years of international experience in the professional services business with state-of-the-art technology.

With KPI Scan[®], KPI Optimiser[®], KPI QA[®] and Benchmark Express[®], West Trax offers solutions that help to increase the effectiveness and efficiency of corporate processes and the performance of IT infrastructures. West Trax focuses on global SAP system optimisation. More detailed information can be found at www.westtrax.com.

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