



DECISION
MANAGEMENT
SOLUTIONS

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The ROI of SAP NetWeaver Decision Service Management

The business case for SAP NetWeaver Decision Service Management is clear—increased business value, decreased development and maintenance costs, and faster reaction to changing business needs.

When business owners want to control or streamline a business process or application, often what they need to do is manage the decisions within it. However, when the business logic of decisions is hard-wired into business applications using traditional approaches, changing it is often time-consuming and error-prone. Domain experts lack the programming skills necessary and IT specialists lack relevant business knowledge.



SAP NetWeaver Decision Service Management addresses this because it allows organizations to manage decision-making logic—business rules—more effectively. By externalizing decision-making from the rest of the code and managing it centrally, business and IT can collaborate effectively. It empowers domain experts to define and change decision logic deployed in reusable “decision services” without any IT staff involvement. Visual and declarative metaphors make it easy to manage business logic and a repository allows versioning, access control and managed deployment. SAP NetWeaver Decision Service Management is also specifically designed to work well in ABAP-based environments and is tightly integrated with SAP Business Suite applications.

SAP NetWeaver Decision Service Management is a fully realized business rules management system available to SAP customers. It allows business users to manage compliance and enforce best practices, policies and contracts. It allows them to personalize, segment or target customers as well as reduce complexity or increase flexibility.

By focusing on suitable decisions, SAP customers can get an excellent ROI from SAP NetWeaver Decision Service Management by improving business results and increasing development and maintenance efficiency.

Which decisions can be automated?

A system like SAP NetWeaver Decision Service Management is designed to handle repeatable, operational business decisions in enterprise applications. These decisions typically affect a single customer or a single transaction and have four key characteristics that make them suitable for automation with the help of SAP NetWeaver Decision Service Management:

- ▶ **Repeatable.**
If a decision is made in a repeatable way and made regularly it will be possible to automate it and show a return on doing so.
- ▶ **Non-trivial.**
A decision must be non-trivial to make it worth an investment in automation. A decision may be non-trivial because it involves policies or regulations that control the decision, because it requires a degree of expertise, or because it must be updated regularly to reflect new policies or regulations.
- ▶ **Measureable business impact.**
It must be possible to tell what the business impact of improving the decision will be, and what a good decision is relative to a bad one. If the value of improvement cannot be described or the value of a decision cannot be measured at all then it will not be possible to show a return on automation.
- ▶ **Suitable for automation.**
Every organization has a different attitude to automation. Unless the organization is willing to consider a system to make the decision (or part of the decision) there is no point in automating it.

Examples

There are many suitable decisions but examples include:

- ▶ Determine if someone is eligible for a benefit
- ▶ Validate the completeness of an invoice
- ▶ Calculate the space required for a delivery
- ▶ Assess the risk of a specific route
- ▶ Select the terms for an agreement
- ▶ Choose which claims to investigate
- ▶ Select a carrier for a shipment
- ▶ Determine if a product is available to promise
- ▶ Identify the correct tax code for an order or invoice
- ▶ Determine the target group for a marketing campaign

Calculating ROI

When calculating the return on investment that might result from using SAP NetWeaver Decision Service Management it is generally a good idea to do so over several years to amortize costs and reflect the reduction in maintenance costs that is a particular feature of business rules. The most effective way to calculate this ROI is to compare the cost of an initial traditional development effort with the cost of a rules-based development and then to factor in the additional maintenance projects that will be required to sustain the value of the system over time. Because the use of SAP NetWeaver Decision Service Management gives business units independence from IT resources (whether internal or external) they can replace these maintenance projects with a modest ongoing cost for managing business rules using SAP NetWeaver Decision Service Management.

Benefits

The benefits of using SAP NetWeaver Decision Service Management come in three areas – increased business value, development efficiency and maintenance efficiency.

Business Value

Increased business value is the largest and most compelling business benefit that can be realized from the use of a business rules management system such as SAP NetWeaver Decision Service Management. These benefits are driven by improved effectiveness and efficiency in decision-making and by improved responsiveness as SAP NetWeaver Decision Service Management frees business users from the tyranny of the IT work queue for changes. One company developed a decision service to determine appropriate carriers for 25,000 shipments per hour, replacing the emailing and management of large numbers of Excel spreadsheets. Specific examples:

- ▶ Reduced losses from more accurate and more consistent fraud decisions.
- ▶ Reduced fines and compliance costs from demonstrable compliance with policies and regulations for eligibility.
- ▶ Quicker time to market with new business products or services, more competitive pricing etc.

“SAP NetWeaver Decision Service Management allows us to react faster to changing business requirements compared to traditional programming”

Michael Schultz, IT Manager at BMW Group

- ▶ Increased productivity of business staff because some decisions are handled automatically (e.g. underwriters who no longer need to look at every policy) or because the time to make a decision is reduced through partial automation.
- ▶ Redeployment of business staff to higher value tasks because they no longer need to do repetitive decision-making.
- ▶ Reduced time to value for new systems functionality with benefits of a system being realized sooner thanks to increased development speed.
- ▶ Reduced costs or losses while waiting for a change to a system such as lost customers when changing pricing to respond to competitors or rework caused by out of date system behavior.

Development Efficiency

Systems such as SAP NetWeaver Decision Service Management allow critical decision-making logic to be implemented more rapidly than traditional approaches. For instance one company wanted to automate a tax code calculation and an estimated 30 days ABAP development project was completed in 2.5 days using the technology at the core of SAP NetWeaver Decision Service Management. Another project took just 3 weeks even though there were more than 100 printed pages of decision logic. Development efficiency improvements can show up in a number of ways:

- ▶ Better specification of requirements as business analysts are involved directly
- ▶ Improved developer productivity—for example one team reduced the number of developers from an expected 24 to 15 by handing off work to non-developers. Often adding one business analyst to the project can eliminate the need for multiple programmers from it.

“Thanks to SAP NetWeaver Decision Service Management we are now able to improve the visibility of the business logic used within our SAP system. This allows us to reduce discrepancies between the described and the implemented logic, an issue we often faced in the past.”

Michael Schultz, IT Manager, BMW Group

- ▶ Reduced re-work as there is an improved quality of rules thanks to closer business involvement when compared to traditional approaches and this shows up in reduced re-work.
- ▶ Reuse of previously developed logic because it is easier to see opportunities for reuse and to take advantage of them when logic is in rules in a repository

Maintenance Efficiency

Maintenance efficiency of a system built with SAP NetWeaver Decision Service Management can be dramatically improved. For instance one example where the time to find, understand, make, test and deploy a change went from 2-8 hours to 15 mins. Multiplied by the number of changes that must be made in a typical year this represents a huge potential benefit. For instance an account origination and loan application that checks for required documents, selects products, makes a credit determination and more replaced 1000s of lines of ABAP code for a massive increase in maintainability. Typical maintenance benefits include:

- ▶ Reduced effort to find where to make a required change.
- ▶ Reduced effort to understand the existing code so the right change can be made.
- ▶ Reduced effort to make the change.
- ▶ Reduced effort to test the change to confirm it works.
- ▶ Reduced effort to deploy the change.

Costs

The main costs for deploying SAP NetWeaver Decision Service Management are:

- ▶ Software license and maintenance.
Pricing for the solution is determined by the number of deployed decision services and these can be deployed to any number of target systems. SAP offers a low entry price for customers who want to start small or try the solution.
- ▶ Hardware.
SAP NetWeaver Decision Service Management can be installed on any existing machine—there are no specific hardware requirements. There is also no requirement for high availability as business rules get deployed into target systems and are executed there. As a result the system on which SAP NetWeaver Decision Service Management is deployed could even be offline most of the time as it is used only during design.
- ▶ System management
SAP NetWeaver Decision Service Management follows all the common approaches from SAP Business Suite applications. User maintenance, authorizations, etc. are all managed in familiar ways, eliminating the learning curve and avoiding any additional management costs. SAP NetWeaver Decision Service Management can also be installed together with existing business applications, reducing server and user administration costs to virtually zero.
- ▶ Training and consulting.
Organizations will generally seek consulting assistance to adopt best practices and kick start the project and may also pay for staff augmentation while internal teams become familiar with the new approach.

Contact Us

If you have any questions about Decision Management Solutions or would like to discuss engaging us we would love to hear from you. Email works best but feel free to use any of the methods below.

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