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# Start with the Why – Not the How – When You Upgrade to SAP ERP 6.0



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For a complete list of functional differences between the ERP release your company currently runs and SAP ERP 6.0, see the SAP ERP Solution Browser at <http://service.sap.com/upgrade>.

Before starting any SAP ERP 6.0 upgrade project, SAP customers must first understand *why* they should upgrade. Understanding the “why” is an often-overlooked step, but one that’s so important, for two main reasons:

- It articulates the upgrade’s value to the business
- It sets the strategic roadmap for how a company will use its ERP systems

In essence, the “why” is the business case for the move to SAP ERP 6.0, and it comprises not only the new release’s functionality, but also its derived business value. When you fully understand this – and can explain it to key business stakeholders – you’ll have a firmer grasp of your upgrade process as a whole.

## Why Are Companies Moving to SAP ERP 6.0?

Before writing this article, I asked several customers that have already upgraded to SAP ERP 6.0 the same question: “What was your business case to upgrade?” In their answers, I heard three common themes:

**1. They want new functionality to address their company’s unique business needs.** All of the customers I spoke to first listed some new functionality in SAP ERP 6.0 that they needed in order to solve critical business pain points. Yet across all of these functionality lists, I saw nothing in common – not even two repeated items. Though pleased to see this lack of commonality, I wasn’t at all surprised; there are currently over 300 functional enhancements in SAP ERP 6.0 as compared to SAP R/3 4.6C.

I say *currently* here because SAP ERP 6.0 is essentially two releases in one – the core product plus additional functionality added prior to the next major ERP release via enhancement packages. These enhancement packages, delivered independently of support stacks,

will provide not only additional functionality to the core product, but also enterprise services added to the Enterprise Services Repository.<sup>1</sup> SAP’s enhancement package strategy allows customers to add functionality when they feel they need it – essentially, it’s innovation at the customer’s pace.

SAP ERP 6.0 is brimming with new functionality. And every company will be interested in something different, so I can’t even offer a “Top 10” list – check out the SAP ERP Solution Browser at <http://service.sap.com/upgrade> and you’ll see what I mean.

**2. They want to eliminate custom programming and move back to standard functionality during or after their upgrade.** SAP ERP 6.0’s new functionality provides many opportunities to move away from customizations (though not quite altogether). The enhancement framework in SAP ERP 6.0, which allows you to identify, categorize, and manage enhancements in your system, enables far greater flexibility than ever before to enhance SAP standard functionality in a way that is completely “upgradeable.”<sup>2</sup>

Some of the most common types of custom programming are the copying of standard SAP programs and transactions, allowing customers to enhance a program with their specific requirements without modifying SAP standard functionality. Unfortunately, copied programs, function modules, and transactions tend to be the hardest to deal with when applying support stacks or upgrading to a new ERP release. The new enhancement framework provides many – and I use the term *many* conservatively – ways to enhance SAP standard coding without modifying any

<sup>1</sup> Please visit <http://service.sap.com/erp> for more information on enhancement packages.

<sup>2</sup> For more about SAP’s enhancement framework, see Karl Kessler’s article “SAP’s New ERP Strategy for Developers” in the July-September 2007 issue of *SAP Insider* ([www.SAPinsideronline.com](http://www.SAPinsideronline.com)).

✓ **NOTE!**

Enhancements are grouped together and can be found in a central location in the Repository Information System (under *Enhancements*). This allows for easier reporting and the centralization of all user exit programming.

SAP standard code. Through explicit and implicit enhancement points, virtually every standard SAP program can be enhanced to fit essentially every business process. This:

- Alleviates the need to copy standard SAP programs
- Eases the application of future support stacks
- Simplifies future upgrades to the next releases of SAP ERP

All of these benefits lead to a lower total cost of ownership. And while the enhancement framework does not eliminate the need for testing, it will help simplify your ABAP environment and limit the overall number of “Zprograms” and “Ztransactions.”

During your upgrade to SAP ERP 6.0, consider eliminating your copied programs and transactions and instead updating standard SAP programs via the enhancement framework. One customer I spoke with entered the upgrade from SAP R/3 4.6C with over 19,000 customizations. After the upgrade, they had eliminated nearly 87% of those customizations through a combination of the enhanced functionality in SAP ERP 6.0 and the enhancement framework.

**3. They want to get in on the excitement and potential of enterprise services.** When I think about what “the business” wants from its ERP software, I inevitably come to one conclusion: It wants a software package that does what the business needs it to do as quickly as humanly possible but at the lowest possible risk.

Even with all of its great functionality, SAP ERP could never undertake to support every single business’s unique processes within the confines of what it provides as standard functionality. To truly support

all existing and potential business processes – both internal and external to ERP software – an ERP package must be flexible enough to connect seamlessly to third-party products. And more importantly, it must be able to interact with Web and enterprise services.

SAP ERP 6.0 is the only ERP software that gives a customer the flexibility to do all of these things:

- Program its own solutions
- Purchase and connect a third-party package
- Connect to an existing enterprise service
- Create its own enterprise service

SAP R/3 provides the ability to program your own solution or purchase a third-party package – generally the most expensive options. But SAP ERP 6.0 opens the door to the more flexible, cost-efficient, and reusable enterprise services options (see sidebar). To learn more about SAP ERP’s readiness for enterprise services, visit <https://www.sdn.sap.com/irj/sdn/explore-es>.

### Conclusion

Taking the steps to determine precisely why you are upgrading to SAP ERP 6.0 is not a task to be taken lightly. Knowing exactly why you are upgrading establishes the long-term vision of ERP in your organization, and the resulting business case and roadmap are essential to maximizing your ERP investment.

SAP Services has helped many customers understand the benefits of upgrading to SAP ERP 6.0. We can help you realize what it takes to upgrade and establish a roadmap for adapting your business processes using SAP ERP 6.0 and enterprise services. We can also aid with the actual upgrade work. I encourage you to visit <https://service.sap.com/upgradeservices> to learn more. ■

### Make Your Upgrade a Strategic One

One of SAP ERP 6.0’s key values is its flexibility to address virtually any business process and provide a standard, rapid solution. Either during or soon after the upgrade to SAP ERP 6.0, customers should take a hard look at all of their business processes implemented in SAP R/3 to find where those processes can – and should – be improved in SAP ERP. These improvements could be made by removing custom coding or by streamlining a business process using an enterprise service.

This exercise, part of a *strategic upgrade* process, will provide tremendous business benefits. Using standard functionality, for example, provides long-term savings by reducing upgrade and maintenance costs and lowering implementation and upgrade risks. And streamlining any business process eliminates steps, saving the business money.

### Additional Resources...

...from **SAP** Insider



- The *SAP Insider* **SAP ERP Upgrade seminar**, coming to Orlando, Chicago, and Copenhagen in 2007 ([www.saperpseminar.com](http://www.saperpseminar.com))
- The **Managing your SAP Projects 2007** conference in Miami, October 22-24, 2007, where author Jason Fox will present a comprehensive session on SAP ERP upgrades ([www.sapprojects2007.com](http://www.sapprojects2007.com))