

THE CUSTOMER – KING OF DEVELOPMENT

No one knows a product better than the customer. And no one has a clearer picture of a company's current and future IT needs. That's why SAP involves its customers in all phases of product development – early and in depth.

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Enhancing existing products or inventing new ones can open up great opportunities for companies, but they also involve significant risk: namely, that the product goes to market before anyone knows if customers will like it or if it will go down in history as a flop. So, what makes an innovation marketable? For the answer, many companies consult their customers, because customers are intimately familiar with the products they use. After all, who can judge better whether planned innovations will hit the ground running or fall flat?

SAP taps this knowledge as part of its Customer Engagement Initiative (CEI). The program provides a structured approach to involving customers in product development. It gives customers early and detailed insight into planned developments of new products or functions – as well as the chance to help shape products through direct exchanges with developers. In return, SAP can use the CEI to accelerate implementation cycles and create greater customer value through better products.

Growing cooperation across the globe

Like most projects with a clear win-win outcome, the CEI has rapidly spread to encompass more countries and products. At the kickoff in April 2009, the focus was on projects in the development phase. Customers who took part in the CEI, mainly through the SAP user groups DSAG (in German-speaking

countries) and ASUG (in the Americas), were able to give their feedback on planned product specifications for the SAP Business Suite solutions. Now the initiative has been extended to include the product definition phase. “This enables customers not only to evaluate initial ideas and assess their potential,” says Heinz Häfner, CEI project lead at SAP. “They can also influence the direction a development will take by making suggestions before we set the course.”

Major progress has been made with regard to program participants, too. CEI is now available to customers from additional countries; newcomers include Sweden, the Netherlands, Japan, the United Kingdom, and Ireland. SAP also increasingly uses direct customer contact to widen the circle of potential participants. It's a successful strategy: So far, more than 1,000 users from some 850 organizations worldwide have signed up for projects that are part of the initiative. “One reason for this is probably the fact that we now cover all SAP products,” says Häfner. “For example, we added potential developments for SAP Business ByDesign to our CEI portfolio in September 2009.”

Clear structures, constructive cooperation

To help development projects run as efficiently as possible, Häfner and his team defined clear processes to ensure that everyone uses the same approach. The team gets together internally to identify

topics that lend themselves to customer participation. These topics are then distributed to the SAP user groups three times a year through access-controlled Web sites. Customers and partners can sign up on these sites for one or more topics, if they match the requirements

THE CUSTOMER KNOWS THE PRODUCT BEST.

profile. A project begins with a teleconference to introduce the planned topic in detail and consider personnel and scheduling matters. At the same time, customers are asked to sign a feedback agreement that ensures confidentiality and intellectual property. Once the agreement is in place, collaboration can begin.

Motivated customers with high expectations

One manager who just completed a project as part of the CEI is Stefan Elfner, chief development architect for the on-premise suite and head of the system-landscape governance board at SAP. One of his tasks was to simplify the complex system landscape and reduce redundancies. “We asked ourselves what it would be like if SAP Customer

Relationship Management or SAP Supply Chain Management were no longer separate instances but were more or less installed on top of SAP ERP, and could even be operated without middleware,” Elfner explains. “We wanted to discuss with customers the potential that could be tapped and work out possible development steps.”

Five companies took part in Elfner’s research project, including Andreas Stihl AG & Co. KG, based in Waiblingen, Germany, and Endress+Hauser Holding AG, headquartered in the German city of Weil am Rhein. “Our goal is to reduce the complexity and total cost of ownership of our SAP landscape,” explains Josef Knittelfelder, head of IT at Stihl AG, as the reason for his company’s participation in the program. Endress+Hauser AG had similar reasons for joining the initiative. “Because there’s a lot of overlap of functions in SAP CRM and SAP ERP, we need to operate and administrate two systems,” says Dieter Müller, managing director of Infoserve GmbH + Co. KG, Endress+Hauser’s IT service provider. “So we have a great interest in consolidating our applications – and we want to provide constructive input.” During one-day workshops at the customers’ sites, Elfner and his team got to know the system landscapes and dis-

cussed the topic of potential integration with the companies’ CIOs. “Because we worked together so closely and because of the clear practical focus, we managed to address problems and requirements in a degree of detail that is only possible in CEI projects,” explains Elfner. Knittelfelder is also impressed by the project’s transparency: “SAP gave us all the information we needed to discuss the issues openly. Furthermore, direct contact with the developers enabled us to acquire profitable knowledge fast.” Müller adds that meeting with CIOs from other participating companies was also valuable: “We started to exchange details on business aspects as well that were very helpful.”

The participants were equally positive about the CEI as a whole. “The initiative shows that SAP is taking the right approach to customer focus, because it

ensures that the results will be accepted by customers,” Knittelfelder says. Notes Müller, “The approach in terms of communication with customers, communication of goals, and working on the results was constructive and transparent. It displayed great professional competence.” Of course, being heavily involved in the early stages, the customers have even greater expectations for the ongoing development. “We expect SAP to take our suggestions and ideas on board in its planning,” says Müller.

“That’s precisely the advantage of the CEI approach,” says Elfner, who continues to drive the implementation of the core results. “Open communication with customers in the workshops enables sound arguments that significantly increase the chance of ideas getting through the internal decision-making process at SAP.” ■

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