



Newsletter DER VORDENKER

Version: 2010/02

Dear Vordenker reader,

Once again we bring you our news-packed letter, this time for the second quarter of 2010. Learn all about IBIS Labs, the platform for research services that integrates research efforts by Prof. Thome's faculty for Business Administration and Information Technology at the University of Wurzburg with the IBIS team's extensive experience and skill. Read on to find out ways in which you can boost ROI of your SAP systems. And see how the audit and tax consulting company Bansbach Schübel Brösztl & Partner benefited from RBE Plus.

We wish you a great summer and all the best from Wurzburg.

Your IBIS Team

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Thinking Ahead



IBIS Labs – platform for research services

Since 2009, IBIS Labs has been bundling Prof. Thome's faculty resources and research activities at the University of Wurzburg with those of IBIS Prof. Thome. The upshot is an expansive platform for research services. The aim of the platform is ...

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Looking Ahead



Increasing ROI of SAP systems

Maximizing savings potential

Cost pressures have been on the rise everywhere – in IT too. Cost cuts of up to 20 percent are not unusual. But how can you maintain efficiency while reducing IT operating costs? This is a difficult question to answer...

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Answering Back

OUR INTERVIEW WITH...

Our interview with Dagmar Brösztl-Reinsch,
executive partner of Bansbach Schübel Brösztl & Partner, an audit and tax consulting
company in Stuttgart

Audit-proofing SAP systems

One of an auditor's many tasks is to closely examine complex IT systems regularly. In an interview with Dagmar Brösztl-Reinsch, she explains how to check SAP systems reliably, detailing the benefits of automated SAP usage analyses with RBE Plus.



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Looking Back

OUR ASSESSMENT OF...



SAPHIRE EMEA 2010 in Frankfurt

Despite a considerably smaller turnout than in previous years, a spirit of optimism was palpable in the atmosphere at this year's SAPHIRE in Frankfurt. Everyone seemed confident that SAP Business ByDesign was about to really take off. This sentiment was also reflected in the keynotes.

The usual SAP issues concerning SAP Business Suite gave no new cause for hype.

It was interesting to note that SAP's acquisition of Sybase, announced only shortly prior to the trade show dates, was hardly mentioned.

Planning Ahead

OUR EVENTS

June 23, 2010: Alignment Analysis webinar

September 21 – 23, 2010: DSAG Annual Conference in Nuremberg

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Thinking Ahead



IBIS Labs – platform for research services

Since 2009, IBIS Labs has been bundling Prof. Thome's faculty resources and research activities at the University of Wurzburg with those of IBIS Prof. Thome. The upshot is an expansive platform for research services.

The aim of the platform is to collaborate with SAP and other partners to deploy business software using innovative methods and tools, while adding new content.



IBIS Labs is currently working on the following research initiatives:

1. VULCAN – the virtual company

This virtual company brings together practical theory and empirical research in Economics and Business IT at the University of Wurzburg. In the lab, students simulate business operations in manufacturing, commercial enterprises or the service sector. They play the roles of consultant, department head or CEO. As the basis for this simulation, they use the software for small and midsize businesses, SAP Business ByDesign.

2. Evaluations in the VULCAN business administration laboratory

In the VULCAN business administration lab, daily business is simulated and evaluated via the latest methods. Innovative business software is the basis for simulation. Students explore methodical problems and simple to complex situations in an organization either independently or through role-play. The following shows some examples of questions examined:

- How long does it take to learn to use the software?
- How are the available analyses used?
- What are the advantages of the software's new communications capabilities?

- Are students able to solve problems and eliminate disruptions in the delivery process?
- Are students able to spot improper organization of BOMs?

3. SAP Business ByDesign – implementation and transformation

Within the framework of the business configuration excellence centers for SAP Business ByDesign, IBIS Labs is further pursuing the focus of IBIS Prof. Thome's and SAP's strategic cooperation. The purpose of this initiative is to evaluate implementation projects and ones aimed at organizational transformation. For example, the IBIS production system project involves operating and maintaining an actual live SAP system. A partner panel also offers training and project support for other companies. A customer panel aids regional and specialized customer projects.

4. Improving ROI of SAP solutions

To boost ROI on SAP solutions, IBIS Labs recommend regular consolidation of SAP landscapes and business processes. Consolidating SAP systems is the only way to achieve excellence and enable innovation. Dr. Andreas Hufgard's new book, [Improving ROI of SAP Solutions](#), SAP Press, ISBN 978-3-8362-1605-0, provides more detail on this subject.

5. Vision of business matrix processing

What would be the future of information processing if speed and data access no longer posed restrictions? The team at IBIS Labs is currently working on this vision pictured by the Hasso Plattner Institute. Several project proposals have already been developed and submitted.

Partners and customers who are part of the network can also contribute to the research initiatives by visiting the corresponding IBIS Labs panel. Our team always welcomes new cooperation partners and prospective users.

Find out more about IBIS Labs on our homepage: www.ibis-thome.com/ibis-labs.

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Looking Ahead



Increasing ROI of SAP systems

Maximizing savings potential

Cost pressures have been on the rise everywhere – in IT too. Cost cuts of up to 20 percent are not unusual. But how can you maintain efficiency while reducing IT operating costs? This is a difficult question to answer, as IT landscapes are often not transparent. Regular implementation of a usage analysis can provide lasting solutions.

An IT system's operating costs can be regulated specifically with the aid of a usage analysis. The software company Candle Corp. proved this in the 80's. IT experts systematically searched their IBM mainframes for unused programs that required licenses. The analysis enabled them to identify programs used frequently, to check ones used infrequently and to eliminate ones not used at all – saving costs without hurting business. This method is based on a system usage analysis that saves programs used intensively, questions the necessity of ones used rudimentarily and deletes unused programs cost-effectively. All PC users are familiar with the simplest type of usage analysis when they receive messages from their OS telling them there are links on their desktop that haven't been accessed for a long time. When users keep only the links they access frequently, they work much more efficiently because search times are reduced, for instance.

Regular check-ups

Regular check-ups have proven advantages in health-care. Early diagnosis of disease results in considerably lower costs. And in the SAP community, regular system check-ups and diagnosis have also become increasingly important. That's because SAP production systems are getting older. Over time, they have collected numerous company-own developments, superfluous third-party programs and obsolete authorization concepts. All this unnecessary ballast drives up the cost of running SAP systems.

It's actually relatively easy to analyze an SAP system's usage. The first step entails defining criteria for measuring an ERP system's degree of usage. The second step is to take measures to reduce operating costs. The usage analysis is divided into license, user and system management categories. This is because license costs and the expenses for maintaining and operating an SAP system vary depending on how many users it has, its scope of functions, how company-specific and how complex it is, and which interfaces are implemented. These criteria are a good basis for identifying cost drivers.

Keep license costs to the required minimum

Active license management requires avoiding typical mistakes. Some common ones include forgetting to remove inactive users, not having enough license entries in the master data, allocating users to several categories in more than one system and assigning incorrect licenses.

For security reasons alone it's important to deactivate all inactive users in the SAP system. And yet it's amazing how negligent some organizations are in this crucial point. Results from around 800 RBE Plus usage analyses conducted by IBIS worldwide on SAP systems attest to this. The benchmark for the "valid and active users" indicator is only 85 percent. This means SAP license costs can be reduced by about 15 percent on average. SAP users may not be able to return their licenses, but at least they can cancel maintenance on unused ones.

It's a far greater challenge to figure out which licenses you need. Each price list contains different license types, such as Professional or Limited Professional. Regardless of which price list applies, the registered

license type has to correspond to actual system usage. Since many companies don't have a reliable method for figuring this out, they tend to opt for the more expensive ones. They do this to avoid unpleasant surprises when it comes to official license checks. But that means nearly all SAP users are paying excessive license costs. Here too there is vast potential for cutting IT operating costs.

Remember user management

Active user management is much more complex than license management because you have to figure out whether the company's structure is compatible with the processes in the system. The phrase coined by Alfred Chandler, that „structure follows strategy“, still remains true today. The structure of the organization has to match its business processes. Unfortunately some SAP systems – especially the older ones – often show discrepancies between their structure and the way their business processes are organized. This leads to unnecessary costs.

Two benchmarks distinctly show the condition SAP systems everywhere are in. The proportion of dialog users who execute fewer than three transactions in the SAP system is approximately 14 percent. In other words, they're not maximizing their ERP system's potential. Therefore, it's generally a good idea to check license types of all dialog users. This includes examining the transactions used and usage intensity. Steps can then be taken to improve organization.

Another metric that reveals anomalies in organizational structure is the proportion of power users. Power users are ones who perform 80% of the work in their user department. If the number of power users is too low, logic suggests that a large number of these are occasional users. But occasional users require longer training times, resulting in inefficient execution of processes. Close examination is therefore essential. As an example, we can cite the benchmark for entering vendor invoices. The number of power users in this area is only 27 percent. This implies that the remaining 73 percent enter a mere 20 percent of the invoices. In view of the complexity of invoice entry, the proportion of occasional users is too high. Centralization of these tasks would enable more cost-effective system usage.

Aligning structure with processes

A targeted analysis of an SAP system's structure and processes hinges on several factors. These make it possible to see just how complex a usage analysis can be in terms of active user management. It's essential to ensure that available usage potential corresponds to process requirements. If the system offers too many or too few requirements, this drives costs unnecessarily and could have very expensive consequences.

A prime example of this are the terms of payment provided in an SAP system. If a company uses 20 different terms of payment, there's no reason to keep 500 in the system. This type of discrepancy between usage potential and actual usage is one source of hidden costs. Whether time is wasted searching for the right term of payment when creating a vendor invoice, or whether 480 unused terms of payment have to be maintained and tested, these are costs that can be eliminated.

Strictly limit company-own developments

A simple benchmark like the “proportion of company-own transactions used in the SAP system” distinctly indicates where cost-cutting potential lies in many SAP systems. The proportion is 42 percent. According to this, 58 percent of the company-developed programs are not used. These may be required when the SAP release implemented does not contain specific functions in the standard version. But it becomes a problem when they no longer support current business processes. Unused programs require just as much maintenance as the indispensable company-own solutions. Each time systems are upgraded or consolidated, the ABAP code must be checked and adapted manually. This is why it's so important to monitor user-specific developments regularly and delete unneeded programs.

Take full advantage of cost-cutting potential

The points outlined above clearly demonstrate how complex a usage analysis is – and how vital. It takes regular analysis and active license, user and system management to run SAP systems optimally and efficiently. This creates much-needed transparency and reduces the complexity of several influencing factors. The resulting cost savings is substantial. It's IT's responsibility to maximize this potential in the long term.

For more on this subject, check out <http://www.ibis-thome.de>

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Answering Back

OUR INTERVIEW WITH...

Our interview with Dagmar Brösztl-Reinsch, executive partner of Bansbach Schübel Brösztl & Partner, an audit and tax consulting company in Stuttgart

Audit-proofing SAP systems

One of an auditor's many tasks is to closely examine complex IT systems regularly. In an interview with Dagmar Brösztl-Reinsch, she explains how to check SAP systems reliably, detailing the benefits of automated SAP usage analyses with RBE Plus.

IBIS: Ms. Brösztl-Reinsch, auditors are beginning to require access to up-to-date SAP documentation to assist them in their work. How does the SAP usage analysis with RBE Plus help?

Brösztl-Reinsch: There's a lot to document in an SAP system. RBE Plus helps us gain a reliable and comprehensive information base for our audits. Automated re-documentation of business processes provides us a quick overview of which ones are critical and which ones we can disregard. This means RBE Plus analyses can be conducted very cost-effectively. And that's a great advantage over the conventional documentation method. Conventional documentation frequently contains a huge amount of information and requires time-consuming manual analysis of processes.

IBIS: Which business processes are of particular interest to you?

Brösztl-Reinsch: Our priority is mainly risk-laden sub-processes. We focus particularly on examining processes relevant for financial reporting. This includes cross-company accounting procedures, balance sheet checks, inventory and valuation procedures, and all transactions in Financial Accounting. Checks for consistency across organizational user departments also play a major role.

IBIS: What risks do you spot and check in terms of user activities and authorizations?

Brösztl-Reinsch: In addition to a formal review of authorizations and conspicuous combinations in the authorization concept, we generally pay close attention to which authorization combinations users have actually implemented.

IBIS: Are there other user activities – ones involving business processes, for instance – that you make a point to track and scrutinize?

Brösztl-Reinsch: We look for segregation of duties throughout the entire process chain.

IBIS: Are all companies required to observe specific segregation of duties?

Brösztl-Reinsch: Adherence to specific segregation of duties becomes absolutely vital for organizations beyond a certain size, or for companies with departments upwards of a specific size. Smaller businesses, on the other hand, do not require this segregation – it may not even be possible. In that case, we perform rigorous and strict spot checks. These range from targeted tests all the way to in-depth transaction audits. They can also be complemented by compensatory process checks.

IBIS: What's your view on process integration beyond system boundaries?

Brösztl-Reinsch: This development presents a new challenge for the user's internal monitoring system and for the auditor's external monitoring system. And that's why we think appropriate monitoring functions are an absolute must. They neatly list all processes that have been checked. It helps us identify which business processes are running as stipulated and which ones aren't. To be able to approve without reservations an SAP system in all compliance aspects, this type of monitoring is imperative.



IBIS: What other challenges do you foresee automated system and usage analyses helping out with in the future?

Brösztl-Reinsch: Expectations of the tools implemented become higher over time. There are three developments I'd like to see for RBE Plus. First, appropriate monitoring should be added for periodic checks. Second, tool-aided integration of internal and external monitoring systems would be helpful. And third, it would be nice if RBE Plus analyses were also available for non-SAP IT systems.

Read our interview with Dagmar Brösztl-Reinsch at: www.ibis-thome.de

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Looking Back

June 23, 2010: Alignment Analysis webinar

We invite you to attend our Alignment Analysis webinar on Juni 23, 2010 from 2:00 p.m. to 2:45 p.m. (CET). During this session Dr. Eduard Gerhardt and Dr. Stephan Streller will demonstrate how the alignment analysis can help you compare customization and usage of SAP systems quickly, efficiently and objectively. Comparison usually becomes necessary when systems need to be consolidated, migrated or harmonized. Register now at <https://www2.gotomeeting.com/register/568215827>.

September 21 – 23, 2010: DSAG Annual Conference in Nuremberg

Following tradition once again, a team from IBIS Prof. Thome will have a booth at the DSAG Annual Conference, taking place this year from September 21 – 23 at the CCN CongressCenter Nürnberg. The event is titled "Solutions – From Vision to Implementation".

The IBIS team will be showing SAP customers how they can leverage RBE Plus Analyses to add value to their organizations. And how they can continue to improve the quality of their SAP system. To schedule an appointment for a meeting or presentation, please contact us ahead of time at messe@ibis-thome.de.

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