WHAT ARE THE BENEFITS OF A “CLOUD FIRST” STRATEGY, AND WHAT ARE THE ADVANTAGES OF AN END-TO-END APPROACH?

Expert tips for companies using SAP
The changeover to SAP S/4HANA® is a technology and platform switch that will change business and IT landscapes and impact many companies for years to come. Helge Sanden, head editor at IT-Onlinemagazin, asked Rainer Verst, and Uwe Quattländer, both T-Systems experts for SAP, when a “cloud first” strategy is a good idea for companies, what challenges such a strategy poses, why an end-to-end approach is advantageous when companies want to digitalize, and when users need SAP® Leonardo.
Mr. Verst, what is a “cloud first” strategy from your point of view, and which companies is it especially well suited for?

Rainer Verst: For me and most of my customers, “cloud first” means making it possible to use the latest services and features as quickly as possible in order to gain competitive advantages over other market players. Using cloud services gives companies very fast access to innovative services that they could make available only very slowly – if at all – using their own resources.

SAP demonstrates that this is increasingly the case with Leonardo, for instance, and Google does the same with innovative services that are easy to use, such as Datalab. In practice, some customers’ “cloud first” strategies are so prevalent that projects essentially have to be implemented using cloud services. Alternatives may be used only once it has been proven that the cloud is not an option. With a constantly growing number of cloud services, it is becoming increasingly difficult to furnish this proof. In principle, the strategy is suitable for all companies. However, some companies, especially those with tasks of a sovereign nature or information worthy of protection, are more reluctant. They justify their reluctance by purporting they would lose control if they implemented cloud solutions.

This is certainly understandable, but there are already suitable solutions on the market that can address these companies’ requirements as well. For example, some departments use a public cloud solution like Open Telekom Cloud, which provides cloud infrastructure according to German law, for its customer applications. Others prefer using private clouds for their internal SAP CRM or HR applications that need protection. There is a suitable cloud solution for nearly every business application.

What challenges need to be mastered in that case?

Rainer Verst: All customers need to ask themselves why they want to use cloud services and to what end. That means a situation analysis and a road map derived directly from it are essential. Some customers focus on the considerable agility offered by the solution, others on cost savings.

If the latter is the priority, they have to take a very close look, because the supposedly inexpensive resources have to be used within an SAP-specific setup. As a result, additional elements can become necessary quickly, for example, to form clusters that might cross regional boundaries to provide a failsafe solution for catastrophic failures.

In this case, an experienced partner that understands both the technical and the business side of the coin is a great help. After all, there’s nothing worse than implementing a solution that promises effectiveness, but ultimately doesn’t match the SAP standards and doesn’t have any support.

Mr. Quattländer, what do you mean when you talk about an end-to-end approach, and why can it be advantageous?

Uwe Quattländer: The products from SAP can no longer be technologically or functionally separated. That resembles Apple’s strategy, although in the case of SAP S/4HANA® the HANA DB technology is installed with the application functionality in a fixed manner in a kind of product symbiosis.

Thus, customers now essentially have a greater need to consider functional and technological projects and services as a
whole from an end-to-end perspective as well. One example is the architecture consulting required concerning sizing or performance, which are playing increasingly significant roles in the implementation of S/4HANA®, for instance. At T-Systems, we revert to the Cloudifier method for SAP end-to-end services. The object of this approach is not only contemplating a software component “on the inside” from an end-to-end perspective but also the overall IT landscape, as Mr. Verst described earlier.

When do users need SAP® Leonardo, and what can they accomplish with it?

Uwe Quattländer: Leonardo is the “innovation center” of the SAP product portfolio and functionally maps extremely current issues like the Internet of Things, blockchains, machine learning, AI, and analytics. In particular, the topic of IoT is creating great demand on the market because customers can expect considerable potential primary logistics process optimization through closer control – some of it online – of products, assets, vehicles, and so on. Customers are interested not only because of their own need to optimize but also because they do not want to miss the trend in the market and then have to catch up to the competition. Especially where IoT is concerned, the different strengths and weaknesses in digitalizing products like the cloud, connectivity, SAP integration, etc. are having a significant impact, and the end-to-end concept we addressed earlier plays a very important role. That is the only way to find a technically clean solution design from device to connectivity to cloud and SAP application integration, and it is the only way to map business benefits.

What do you think will be the dominant topic in the SAP community in the next 12 months?

Rainer Verst: The topic of S/4HANA® and its contribution to business success is clearly relevant.

Uwe Quattländer: I believe S/4HANA® migrations will continue to gain in importance in the coming year until the extended SAP product portfolio from the cloud is available. In that process, we can expect to see more integrations focusing on logistics, which will be fertile ground for the logistics topic SAP Internet of Things in Leonardo. The other SAP® Leonardo topics – blockchains, machine learning, AI, and analytics – should benefit from this as well.

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The “IT-Onlinemagazin.de” is a compact guide, focussing on the economic benefits of matching SAP, partner and add-on solutions. And it offers suggestions and impulses for one’s own area of responsibility in company environments.
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About the author
Helge Sanden publishes the SAP community portal “IT-Onlinemagazin.de” and founded “Forum for SAP®”, the largest SAP group in XING with over 32,500 members. He has worked in the SAP world since 2002 – he is an insider in the field, an author, and a speaker. He received a degree in computer sciences, meaning he also understands technology very well. In his publications, he places great value on portraying complex issues in a simple manner and focusing not on technology itself, but rather its practical benefits.

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T-Systems is one of the world’s leading digital service providers. It is based in Europe and offers integrated solutions for business customers. The company uses a global infrastructure of data centers and networks to operate information and communication technology. As a leading end-to-end service provider for SAP solutions, it covers the entire value-added chain of the SAP lifecycle. And it provides everything from a single source: from secure operation of existing systems and classic IT and telecommunications services to transformation to the cloud and SAP S/4HANA®, and from needs-based infrastructure, platforms, and software to new business models and innovation projects in the Internet of Things.

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