

What is a CoE? (and why is it important to know)?

ASUG and SAP Present:
SAP Customer Center of Excellence

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What Should a CoE Do?

The Basic Needs

- Five basic needs provided by a CoE:
 - Governance
 - Allocating limited resources (human and financial) across the enterprise
 - Support
 - Providing expertise in specific focus areas (e.g. technology, business process expertise, project management)
 - Guidance
 - Developing standards, methodologies, templates, knowledge repositories
 - Shared Learning
 - Sharing knowledge through training and certifications, skill assessments
 - Measurements
 - Measuring performance and value results

Source: 'Centers of Excellence Revisited',
www.agileelements.wordpress.com, April 01, 2014



What's in a Name?

Real-Life Names for a CoE

- SAP Competency Center
- IT Support Organization
- Regional Development Center
- Centralized ERP
- Center of Expertise
- Capability Center
- Technology Organization
- Center of Excellence

Although the titles appear the same, there are significant differences



Common Organization Names

Competency Center

- Competency Center
 - An team of people whose focus is to stabilize the applications and resolve day-to-day operational issues
 - Centered around applications and technology
 - Staffed almost exclusively by technical resources
 - Business customer relationship: Support Provider
- Application Lifecycle Focus
 - RUN

A Competency Center focuses on stability, customer service, and low costs



Common Organization Names

Center of Expertise

- Center of Expertise
 - An team of people focused on stabilizing applications, operations management, and protecting the technology investment
 - Resolves day-to-day operational issues (reactive) and provides new solutions (proactive)
 - Delivers these services with a mix of technology and business resources
 - Business customer relationship: Service Provider
- Application Lifecycle Focus
 - BUILD, RUN

A Center of Expertise focuses on technology solutions and customer service



Common Organization Names

Center of Excellence

- Center of Excellence
 - An team of people focused on generating business value through technology plans, building innovative technology solutions, and providing a stable application environment
 - Establishes technology roadmaps (strategic), delivers new solutions (proactive), resolves data-to-day issues (reactive), and provides continuous process improvements (non-technology)
 - Delivers these services with a mix of technology and business resources
 - Business Customer Relationship: Business Partner
- Application Lifecycle Focus
 - PLAN, BUILD, RUN

A Center of Excellence focuses on business value, future technology plans, and customer service



Basic Needs, Real-Life Names, Definitions

Why is this Important?

- The following are impacted by the type of organization selected:
 - Governance of limited resources – human and financial ('people')
 - Support provided ('services')
 - Guidance areas ('skills / capabilities')

It is not what the group is called that matters; it is what the group is supposed to do that is important



The Organizational Impacts of a Competency Center

VISION: Provide an 'always available' application environment with extraordinary customer service delivered at a low cost

■ Impact on 'people'

- Deep product knowledge resources is critical
- Staffing profile skews toward pure IT / technical resources
- Increased likelihood of shifting resources to external source to drive down TCO
- Enterprise-wide governance not as critical

■ Impact on 'services'

- Roadmap services not necessary
- Project management services not required
- Organization change management not needed
- Delivering services at the lowest cost possible is emphasized

■ Impact on 'skills / capabilities'

- Project methodology not critical
- Automation tools capability is valuable
- Application skills / capabilities more highly valued than business-specific process knowledge
- Technical change management and compliance is important



The Organizational Impacts of a Center of Expertise

VISION: Provide technology-enabled solutions to business problems that increase the value of technology investments

■ Impact on 'people'

- Technical people who are "business-savvy"
- Key role is Business Analyst who understands technology but knows business processes
- Technical architect roles become prominent
- Functional domain architects are important but not critical
- Business relationship roles begin to show up

■ Impact on 'services'

- Roadmap services increase in importance
- Portfolio management services
- Innovation services become more important
- Project management services are provided
- Implementation services (including methodology) are provided

■ Impact on 'skills / capabilities'

- Creative thinking and problem solving skills
- Project methodology
- Organization change management skills are required
- Determining business value is critical
- Release management increases in importance



The Organizational Impacts of a Center of Excellence

VISION: Generate business value by solving business problems through a combination of business process improvements and innovative use of technology

■ Impact on 'people'

- Business people who are 'technically-savvy'
- Staffing profile is a balanced mix of business and technical resources
- Functional domain architects are important to identify future solutions
- Business process experts must be part of the team
- Business relationship roles are important

■ Impact on 'services'

- Product / solution roadmaps are a key service provided
- Organization change management services are important
- Business process analysis and continuous improvement are standard
- Enterprise-wide governance and prioritization are critical

■ Impact on 'skills / capabilities'

- Business case development
- Project management
- Governance and portfolio management
- Release management
- Organizational change management



What do we see today?

- Very few customers are pursuing a pure competency center approach
 - Have only seen this approach in organizations where there is no desire to heavily invest in information technology
- Most common approach is a Center of Expertise aspiring to become a Center of Excellence
 - Why 'aspiring'?
 - Inconsistent business relationships and collaboration
 - Technology and functionality gain more attention than business value
 - Lack of active / effective governing structures
 - Lack of a true business process / continuous improvement emphasis
 - Staffing model leans heavily IT-centric with limited business resources



What does SAP recommend to its customers?

- Establish a Center of Excellence
 - A Center of Excellence is the only proven method to achieve *right balance* of customer satisfaction, total cost of ownership, and business value
 - Emphasizes governance based on business value
 - Requires a greater emphasis on business-based resources
 - Increases the focus on both process and technology-enabled activities
 - Increases the focus on technology innovation



Characteristics of a Center of Excellence

- Heavy emphasis on generating business value
- Active enterprise-wide governance structure
- Collaborative relationship with the business customer
- Business process improvement / continuous improvement capability supplements technology focus

A Center of Excellence is a valued and strategic partner with the business customer



Services Provided by a Center of Excellence

- Business process design services
 - Non-technology enabled improvement activities
- Technology-enabled innovation services
 - Incubation of ideas
- Delivery methodology
 - Project methodology
 - Business process methodology
- Portfolio management services
 - Managing the portfolio through governance
- Application maintenance

A Center of Excellence provides the services of an in-house consulting firm



Skills / Capabilities of a Center of Excellence

- Business process expertise
 - “How” business is performed
- Business operations expertise
 - “Why” business operates the way it does
- Deep SAP expertise
- Change management skills
 - The “people” side of the equation – communication and influence
- Project management skills
 - Project plans, monitoring and control

A Center of Excellence is comprised of “technically-savvy business resources” and “business-savvy technical resources”



Key Takeaways

- Make sure the vision / mission of the Center of Excellence is clearly defined and clearly communicated across the enterprise
- Align the services provided by the Center of Excellence with the vision
- Align the skills / capabilities of the Center of Excellence with the vision



Key Action Items

- Determine if your vision / mission is clearly understood by your business customer
- Determine if the services provided are consistent with the vision / mission
 - Furthermore, determine the services which will NOT be provided and clearly communicate who in the organization would deliver these services
- Determine if the skills / capabilities in your organization are consistent with the vision / mission
 - If not, begin to develop a plan to acquire and/or develop the necessary skills



Questions and Answers



Contact Information

