# Calculating the Cost of your Status Quo

Are you ready to open your eyes to the hidden costs of continuing with manual SAP change control?

Revelation software concepts

SAP Partner

# Introduction

Have you noticed how hard it is to change the status quo? It's so easy to put off making decisions we know we probably should make – we're used to doing things a certain way and hey -- if it's not broken… why fix it? But you may be carrying costs in your current approach to SAP change control that you have not considered because, well, you just haven't thought about it. These are uncalculated costs.

*status quo /kwoh/*
*1. the status quo, the existing state of affairs*

Because in complex SAP environments the cost of managing change goes largely uncalculated, we decided to develop a brief whitepaper to get you thinking about what your uncalculated costs might be.

If you're managing parallel development tracks but still rely on manual processes, you might find this whitepaper a bit unnerving but it's quite important. Particularly when SAP certified, out-of-the-box automation solutions such as Rev-Trac are readily available and easily installed.

Automating SAP change control tasks and processes can make an enormous difference to production stability, development efficiency, ability to respond to business requests and overall SAP CoE running costs.

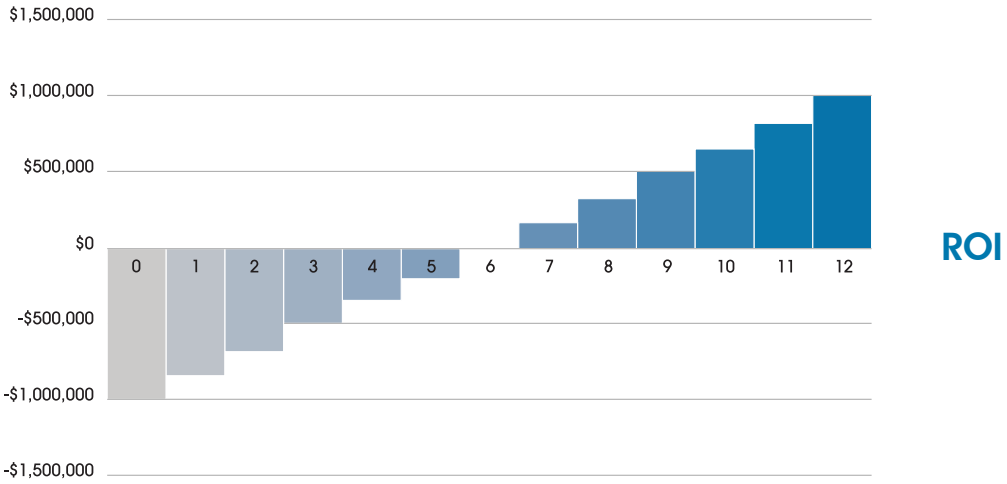
Staying with the status quo may be easier, but it is definitely costly. Not only does it take well considered and well documented change control procedures, but also specialized solutions to ensure full control over all changes and lowest cost SAP CoE management.

# Velocity (vuh-los-i-tee) -
## The rate of speed with which something happens; rapidity of action or reaction

If I could save $50 a month on my electric bill by switching to another provider, then the uncalculated cost of my status quo is $300 a year.

Now, let's apply this principle in terms of velocity, the rate of moving changes from initial request through to productive use.

When new IT functionality is approved within SAP, it's based on a business case that projects an ROI. For the sake of argument, let's consider a million dollar project with an expected 6 months to ROI. Taking 6 months to deliver the software means you won't see positive ROI until months 7 or 8.




If automation would deliver the project a few months sooner, then the status quo's cost is roughly a sixth of the $1 million or $166,667 for each month you could have eliminated. Is this accurate? Not entirely (there are other costing factors) but it shows one way to calculate the cost of the status quo when automation could have delivered the project for business use much more rapidly.

A real life example – one large retail Rev-Trac customer has documented a staggering 246% increase in delivered changes post install. This means changes are being delivered at 2 ½ times the previous velocity, 2 ½ times lower in cost.

**Automation allows you to deliver more projects sooner with fewer go-live errors through automated controls and finer granularity**

# Error (er-er) -
## A deviation from accuracy or correctness; a mistake

Research shows that over 50% of errors are not found until QA or production. This tells us that there is a good deal of error leakage through the testing program to production. Research also indicates errors cost 7x more to correct in QA and 14x more to fix in production – not including the cost of disruption to the business.

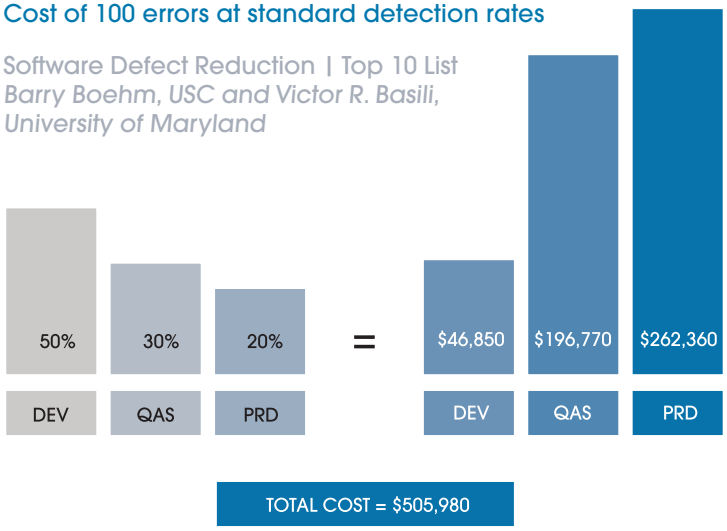
Let's say you have 100 errors working their way through your system. Using the standard detection rates, the 50 errors you pick up in Dev (averaging $937 each to correct) will cost you $46,850.

But 30 errors will make it through to QA at 7x the DEV cost or $6,559 each before you can catch and correct them, for a cost of $196,770.

That leaves 20 errors not caught until they make it all the way through to PRD, at a cost of 14x the DEV cost or $13,118 each. Those 20 errors alone will cost you $262,360 to detect and fix in production.

Cost of 100 errors at standard detection rates

Software Defect Reduction | Top 10 List
*Barry Boehm, USC and Victor R. Basili, University of Maryland*




When you could do something to catch these errors sooner, simply doing nothing is costing you $505,980 per these 100 errors. Ouch!

What happens when you implement automation and process enforcement? Then those systems and processes you put in place to capture errors long before production or prior to QA will actually be followed. What if you then pick up 75% of those errors in Dev, 15% are in QA with only 10% making it through to PRD. Per-error correction costs would be the same, but your total costs are now reduced to around $200,000 ($505,980-$299,840). If over $200,000 improvement for each 100 errors is available to you just by automating your methods and enforcing your processes, the cost doing nothing is nearly twice what it needs to be!

**Rev-Trac is an SAP Certified technology that effectively automates and enforces workflow processes to easily identify potential errors**

# Downgrade (doun-greyd) -
## In a decline toward an inferior state or position

Another change control scenario that's worth thinking about is downgrade costs – where you overwrite an existing functionality in a production system by inadvertently pushing in an earlier version of a later or recent change. This happens in almost every N+1 scenario and any large release cutover.

Let's consider a rate of 10% overwrites per 1000 transports or changes (your situation might be lower or higher) but for this purpose we are using 10% because one of our customers told us that when they moved a project into the BAU (business as usual) stream, they overwrote up to 10% of their BAU changes.

Let's assume the cost to fix each is $1,000, that cost is $100,000. We already know that to repair an error in production is closer to $13,000 so this is reasonable.


If, with the right SAP change control automation technology, you were able to reduce that rate to 5%, that cuts the cost in half!

Rev-Trac's Overtake and Overwrite Protection System (OOPS) can potentially eliminate overwrites altogether, but the point is – if the technology is available, and you don't use it, the status quo now costs you at least $50,000 per 1000 changes plus business disruption and your reputation.

It's clear that staying with manual systems when you could go to an automated, enforced and overwrite-protected system is expensive.

**Rev-Trac allows you to easily manage N, N+1 strategies to develop and test projects safely and resolve conflicts in advance in a separate development and quality assurance stream before introducing them to business-critical production environments**

# Manual (man-yoo-uh l) - Done, operated, worked, etc., by the hand or hands

Let's take a look at workflow and how small manual changes can have a major impact.

If you have a 50-employee SAP support team and could provide a 15-second improvement across 30 tasks every day, you could realize over 1800 hours of productivity every year. At a mean cost of $125/hour, your status quo (that is staying with manual tasks when you could automate) is costing you $243,375 simply for the wasted time! You can see how it begins to add up very quickly.

If you're not sure how many tasks your SAP support team performs daily, let us share an interesting figure – Rev-Trac users at a typical medium sized SAP-user organization over a 12-month period completed:

- 54,523 Unique Approvals involving
- 152 Unique Approvers dealing with
- 15-20 Unique Processes requiring
- 4,489 Transports; and
- 32,620 Transport Migrations

That's over 80,000 manual tasks, not including documentation.

Every role within the SAP organization is different and some would benefit more than others, but the benefits of automation and change control are undeniable wide-ranging and impactful.

**Rev-Trac SAP change control automation delivers faster implementation of business requested changes through removal of manual change control speed limiters**

# Cutover (kuht-oh-ver) -
## The process of transitioning from one system to a new system

We've heard many reports in the field that the manual retrofit process of applying BAU changes into the N+1 Dev and QA systems taking up to 600 developer days each release. For the sake of this brief discussion, let's use 400 developer days per 1000 transports dedicated to rekeying changes into one system for each cutover.

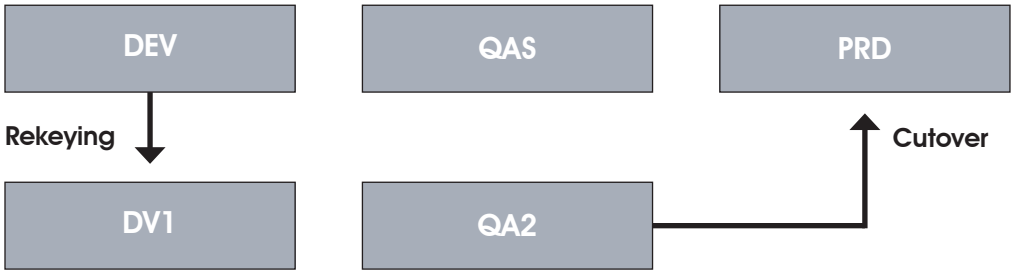
Your stats might be different; you might be doing a little better or worse. But the figure is not unusual.

If you don't know how much rekeying time your own organization spends, you should look into it, it's important. Re-keying costs vary depending on the number of changes you push through your landscapes and the type of changes being made.

Assumptions:

- Rekeying costs of 400 developer days per 1000 transports
- Cost of one developer day ($125/hr x 8 hrs = $1,000/developer-day)
- Cost is thus $400,000 per 1000 transports

So if you could automate the retrofit process of, say 90% of these changes (the rest requiring manual rekeying due to identified conflicts) and you do nothing, the cost of your status quo is $360,000. And this does not include the high value tasks that can now be performed due to the released time.




Rev-Trac enables effective landscape and system management across complex SAP landscapes including N, N+1 architectures

# The Bottom Line

By examining just a few areas where uncalculated costs of the status-quo are lurking within your manual SAP change control process, it should be clear that automating SAP change control tasks and processes gives you the potential to eliminate many problems that cost you significantly in hard dollars. Moreover, automation can free up a ton of worker productivity (a rarely documented "soft cost") in the process.

Are you ready to move to automation so you can realize the kinds of savings you are currently missing out on? If so, we'd like an opportunity to help you calculate just how positively Rev-Trac can affect your bottom line.

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# About the Author

As Vice President Business Development, Rick Porter is responsible for RSC's sales and marketing strategy and for sales of RSC products and services. This includes researching and understanding the change control challenges faced by SAP IT teams and the broad range of solutions available, including how best to position RSC's change control software products. If you find this whitepaper helpful, you might wish to subscribe to the RSC SAP Change Control Blog where he regularly contributes.

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software concepts

## Contact Us

Revelation Software Concepts
10 Caribbean Drive
Scoresby, Victoria 3179 Australia

Telephone: +61 3 9955 9700
Email: info@xrsc.com
Web: www.xrsc.com