BTM² AND ASAP

SAP's Perfect Match

The Business Transformation Management Methodology and the ASAP Methodology for Implementation are two prominent methodologies introduced by SAP AG in order to react to ever changing environments. However, the scope of application is different for both cases. In fact, there exists a huge synergy potential between both methodologies, which are discussed in this article.

by Axel Uhl, Jan Musil, Tammy Johnson and Lisa Kouch

Transformation is a common challenge and procedure for most, if not all, organizations. On the one hand, external changes such as sustainability, technological innovations, globalization, economic conditions, and the changing nature of the workforce have a profound impact on the way organizations execute business. On the other hand, internal changes such as product innovation, restructuring, and new business model adoption, also potentially result in large-scale transformation and consequently in a disruption in the workplace. Organizations require an excellent transformation process in order to sustain competitive advantages (Uhl 2012).

In business transformation, both Business Transformation Management Methodology (BTM²) as well as ASAP Methodology for Implementation (referred to as "ASAP") describe methodologies to realize and implement changes in the business environment. Some may wonder: "Are both methodologies interchangeable? If not, what are the key differences and synergies between them?" This article answers this question and provides insights into the relationship of BTM² and ASAP by analyzing them from different perspectives and finally illustrating recommendations in four use cases.

The key objective of BTM² is to support the management of large scale transformation initiatives, like e.g. business model changes, post-merger integration, shared service center implementations, and large ERP implementations. This means that IT can, but does not necessarily need to play an important role when using BTM². In a nutshell, BTM² helps to manage the transformation – the path how to get from A to B.

In contrast, the key objective of ASAP is to better implement IT solutions such as ERP systems. Therefore, IT always plays an important role when using ASAP.

Clearly said, BTM² and ASAP are two methodologies that provide a perfect match to each other and at the same time benefit from significant synergies in the context of IT implementation programs. In the process of transformation, BTM² focuses on the strategic to tactical levels, whereas ASAP concentrates on tactical to operational levels. The appropriate methodology to choose depends on the complexity, scale, and implications of the change.

An Overview of BTM² and ASAP

Successful projects – be they in large, medium or small scale – depend on well-defined, proven, and adaptable method-

ologies. Both BTM^2 and ASAP were developed based on thousands of executed transformation programs.

BTM^2 provides a holistic and integrative view on the organization and the complexity of its ecosystem. The framework manages extensive and complex changes on which an organization's future success strongly depends. The framework is based on a meta management discipline focusing on rather soft cultural factors like values and behaviors, leadership, conflict resolution, and meta-communication, as well as on established management disciplines, including strategy management, value management, process management, risk management, IT transformation, competence and training management, and program management (see fig. 1). Each individual discipline is well developed, with a large body of knowledge, and targets a specific group of professional people. Although, of course, each group is very valuable for the organization, there is still a strong tendency for separation and a lack of integration between different departments. Therefore BTM^2 provides powerful coordination mechanisms to coordinate and align between those different management disciplines (Uhl 2012).

BTM^2 delivers sufficient consistency and guidance and ensures that the business understands the transformation need and its impacts. At the same time, BTM^2 is flexible enough to be adopted by all kinds of transformation projects, which are by nature extremely diverse, e.g. in terms of industry, project portfolio, or people involved.

The ASAP Methodology is SAP's prescriptive methodology for implementing and upgrading SAP software. It leverages the insights that SAP and its partners have gained through years of hands-on experience with projects in many different customer environments and industries. ASAP provides accelerators, tools, and best practices from thousands of successful implementations. Its prescriptive approach helps reduce project time, cost, and risk. The latest release of ASAP

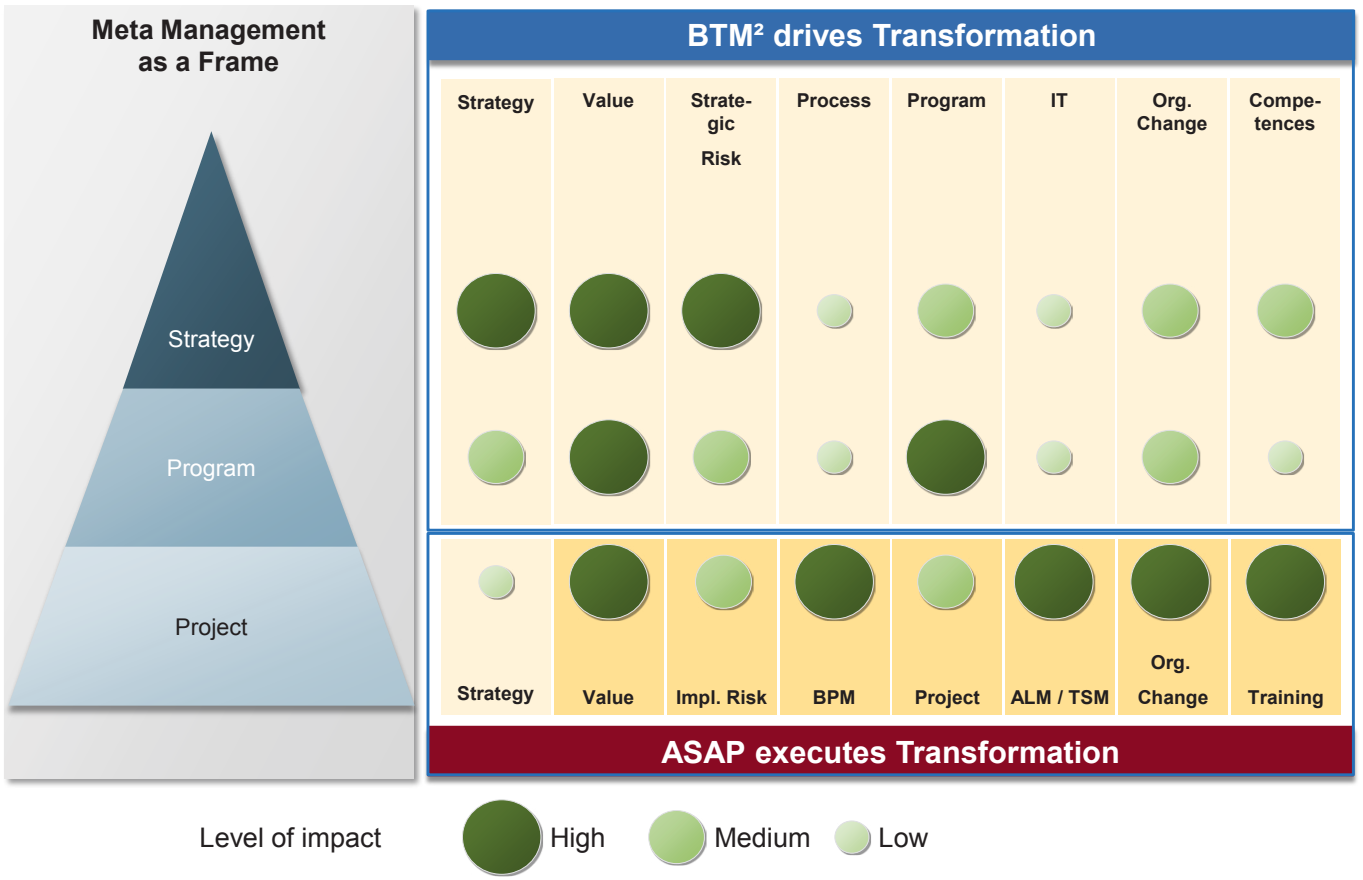

Fig. 1: Focus areas of BTM^2 and ASAP

methodology (version 8) extends the solid foundation of ASAP – built around Business Process Management, Project Management, Organizational Change Management, Technical Solution Management, and Application Lifecycle Management – with prescriptive guidance and strong governance to ensure project success.

The ASAP methodology is structured into six phases that support clients throughout the life cycle of a SAP solution – when you plan it, when you build it, and when you run it in your day-to-day operations. ASAP provides a framework for aligning IT and business strategies, quickly getting your software up and running, and keeping it operating smoothly at peak levels. In addition, it includes process checks to ensure that the implemented solution delivers the value you expect from your SAP investment.

Both methodologies include several management disciplines, like business process management, value management, or organizational change management (see the columns in fig. 1). The difference between BTM^2 and ASAP is the level of detail.

BTM^2 focuses on the strategy and program level, where the coordination of transformation activities plays a key role. One aim is to leverage the synergies of the different stakeholder interests. Furthermore, BTM^2 reveals the possible value and the corresponding risks from an enterprise-wide perspective.

The business transformation activities are then broken down into several smaller projects, some of which are executed using ASAP. Typically, these projects are characterized by limited complexity, dependencies, and stakeholder groups and have well-defined individual project goals. On this level a pressure to deliver exists.

Again, each project has to be planned considering different viewpoints, and only the combination from all relevant disciplines can lead to success.

In summary, ASAP ensures that each individual project is a success, whereas BTM^2 ensures that the coordination and interplay of the individual projects and the overall transformation are a success.

From Strategy to Execution

The ability to manage business transformation is crucial for companies to stay competitive. One success factor is to adapt quickly to an ever changing environment. Major changes, such as technology shifts, changes in customer behavior, competitive moves, and mergers & acquisitions, might have an impact, either negative or positive, on the ability of a company to achieve its strategic objective. A major transformation might be required in order to align the strategic vision and keep the organization profitable. In this context, BTM^2 intends to support the business in defining and implementing a significant business transformation. It focuses on fundamental business changes which have a strong impact on the organization's strategic focus. BTM^2's primary object is "doing the right things" and it focuses on the organization's capabilities to ensure the best execution and situational adoption of this plan (e.g. in terms of Return on Investment). The framework describes all relevant aspects which need to be considered along the transformation process. It helps to coordinate and align all efforts necessary to reach the final transformation target and specifies the direction, roles, and responsibilities of all key stakeholders involved in the transformation process. The actual execution of the transformation process is then moved into the project and service delivery framework ASAP (see fig. 2).

ASAP focuses on the more tactical changes and provides clear guidance, time frames, and deliverables for IT projects. It supports traditional as well as agile projects and provides a framework for the design of industrialized services. ASAP is concerned with "doing things right" and specifies a detailed process in order to reach certain project goals. Typical scenarios where ASAP is applied are when pure data migration or technical upgrades need to be managed, i.e. where no busi-

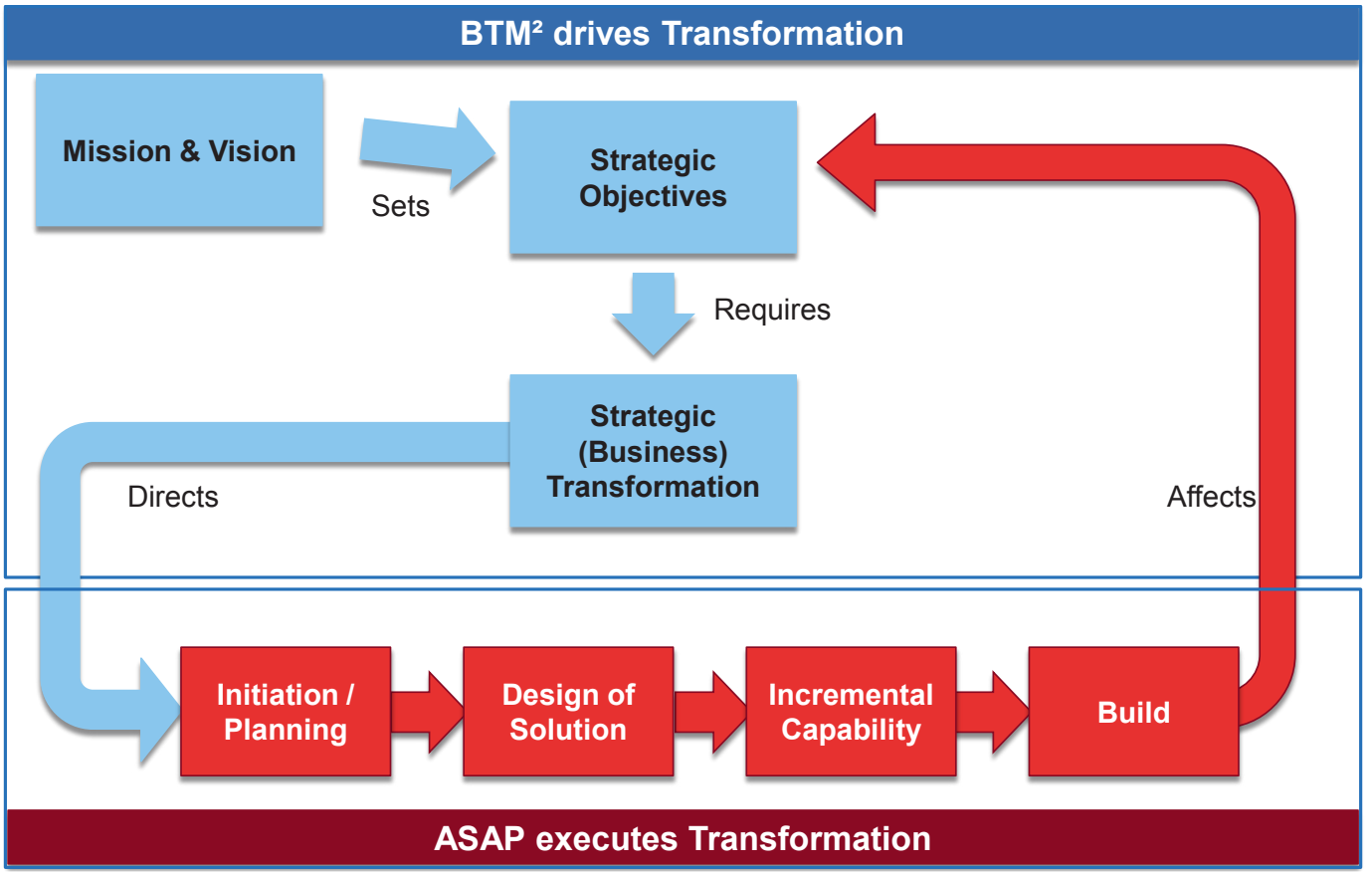

Fig. 2: From strategy to execution

ness change is involved. It is also applied to manage small, incremental change even if the business side is affected.
To summarize, BTM^2 considers the strategic and tactical perspective of a transformation and describes the necessary steps and paths to take. ASAP complements these activities on the tactical level and drives them to execution.
BTM^2 will only be used where the transformation is large, ASAP can also be used in projects without large organizational changes.

Major Stakeholders

Considering the characteristics of the two frameworks, we can differentiate between various stakeholder groups. As we highlighted in the previous section, BTM^2 focuses on the strategic and tactical level and supports the business in defining and implementing significant business changes. Therefore, in BTM^2 it is essential to involve stakeholders on all hierarchical levels as part of the transformation. As a consequence, active stakeholder management is a fundamental pillar of the meta management layer of BTM^2 (Stiles and Uhl 2012).Typical key stakeholders in BTM^2 are board members, C-level management including the CIO, business unit managers, program and project managers, and transformation managers, as well as the entire middle management. Other, more IT-related stakeholders are involved as well, but the key part is to observe the business strategy and introduce possible changes.
Since ASAP is a more technical and engineered approach, its key stakeholders are usually somehow involved in IT. The typical stakeholder groups are CIOs and CIO subordinate levels, as well as enterprise and solution architects, project stakeholders, IT consultants, service managers, and SAP key users.
In a nutshell, BTM^2 is applied when the enterprise needs to react to external markets, change the operating model, and make important business changes. ASAP is applied in order to introduce or enhance IT-related concepts.

Fig. 3: ASAP phases

Skills and Competences

As BTM^2 and ASAP complement each other, the skills required for the individual methodologies are of different nature. BTM^2 experts are more generalists than specialists and need strong cross-departmental thinking. Therefore, they require a solid basis of "soft-skills" on leadership and culture, and competencies like strategic thinking, as well as emotional and political intelligence. Analytical skills and in-depth domain knowledge are less essential.

In contrary, ASAP experts are more specialized in certain domains and topics. Besides strong analytical skills and excellent social skills for holistic analysis, they also offer transformation support and fulfill a communication role. In addition, cross-departmental knowledge is also important, yet ASAP experts use a language that is closer to the one used by IT experts. BTM^2 experts instead speak a business language in order to explain their concerns.

In the following sections, we will introduce four use cases to illustrate the different business scenarios and scopes where either BTM^2, ASAP, or both are applied. In each use case, we will first describe the situation of the organization and its objectives, before giving reasons for the choice of a method and summarizing the associated outcome.

1) Technical Upgrade of an SAP HCM Scenario

Imagine an organization running SAP for their entire process landscape including its human resource processes. After a certain period, the technology vendor SAP releases a new version of the SAP Human Capital Management (HCM) scenario, which contains some major technical upgrades, like changes in the data handling and data constraints, modifications in the graphical user interface, und updates to external interfaces. In general, this scenario has no significant influence on the way the business is operated today.

Changes which have no significant influence on the business operation are implemented using ASAP (see fig. 3). The methodology provides clear and practical guidelines for the implementation. As the project does not influence the overall business strategy, BTM^2 would not be the appropriate methodology in this case.

The result of the project is an updated version of the existing IT system.

2) Global Process Standardization

An organization is running SAP in all locations in Germany. Outside of Germany, they have other IT systems and processes in place. In order to stay competitive and to ensure a consistent IT landscape, the organization wants to align the core business processes and avoid regional differences as much as possible. Part of this initiative is standardizing the HCM scenario and the corresponding business processes across all countries.

This transformation scenario has a significant impact on the way the business operates, therefore BTM^2 is the appropriate methodology to support it (see fig. 4). The change has major influence on several different management functions, and several BTM^2 disciplines need to be taken into consideration. For example, the change requires a strategic alignment of all countries and does not only focus on changing IT systems. Coordination and communication with all stakeholder groups are key to success. Usually, standardizing such processes also

involves big changes in responsibilities and in the organizational structure. One possible achievement during such a long term project might be the introduction of a completely new IT strategy.
BTM^2 provides the relevant methodology to make complex changes a success and to make sure all relevant aspects are considered right from the beginning. After an extensive planning phase and a redefinition of the strategy, ASAP is applied to implement the required changes on the project level.
The long-term results of this scenario are a coherent process landscape, a smoother execution, an alignment of the required IT systems and standardized training efforts. The overall benefit is cost savings.

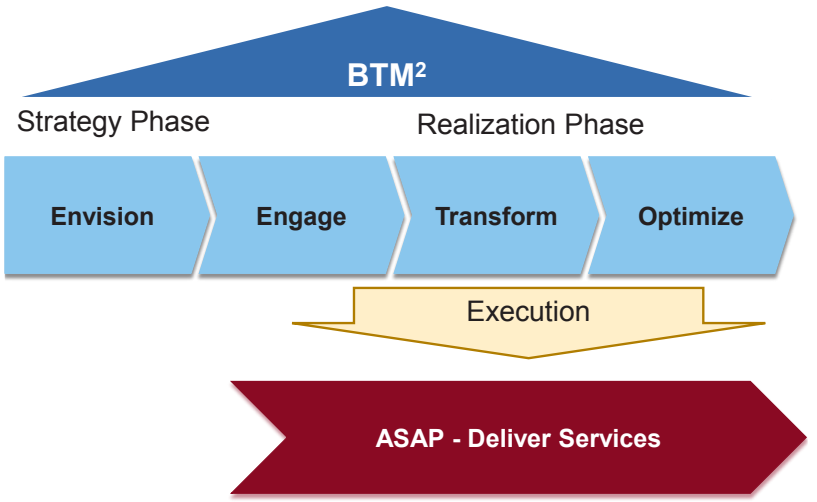

Fig. 4: Top-down approach

3) Process Standardization Using SAP Rapid Deployment Solutions

The third use case is a slight variation of the second use case and explains how transformation projects can be executed in an agile environment. Again, we assume that an organization is running SAP in all locations in Germany, and outside other IT systems and processes are in place. The transformation requires a strategic alignment of all locations and does not only focus on changing IT systems. One part of this initiative is to standardize the HCM scenario and the corresponding business processes across all countries. As highlighted in the previous scenario, since the business is driving the change, BTM^2 is used to realize the transformation. However, on the tactical level the transformation is executed using SAP's Rapid Deployment Solutions (RDS) methodology, which is based on ASAP. An RDS can be generically referred to as a "packaged solution" with a clearly delineated scope, quick to implement and offered at a fixed price. It includes a comprehensive and integrated offering that addresses specific business challenges, enabling companies to go live with new software to address these challenges (Winter 2011). One advantage of RDS is that it enables implementing smaller packages which clearly target specific business scenarios. The implementation is done in an agile manner, and the overall transformation is achieved in smaller iterative projects (see fig. 5). After each iteration, the overall system is in a stable mode and can be run productively. This allows continuous improvement of the environment to reach the final transformation goal.

The final goals again are achieving a coherent process landscape and shorter execution life-cycle. However, this scenario frequently involves smaller subgoals. For example, processes can be aligned step by step, and each iteration improves the solution.

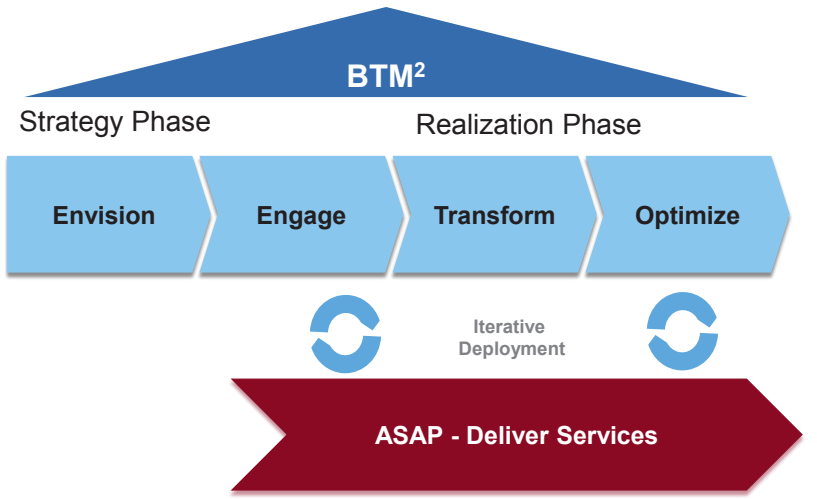

Fig. 5: Top-down agile approach

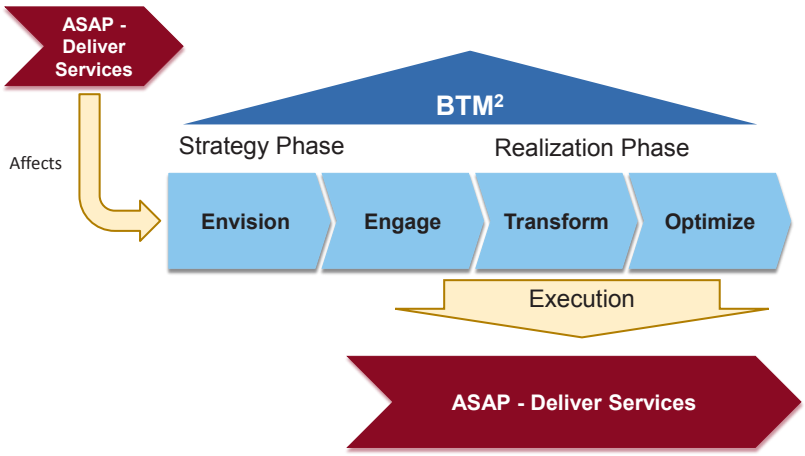

Fig. 6: From bottom-up to top-down

4) Small Change Resulting in a Strategic Transformation

An organization running SAP plans to implement a new feature of the SAP Sales and Distribution scenario. As explained in the first use case, such feature updates usually have no major influence on the overall business.

Such transformation projects are a tactical issue and typically executed using the ASAP methodology (see fig. 6). During the implementation of the project, the organization is consulted about the new possibilities offered by the feature set, including a new e-commerce sales channel. The organization feels that there is benefit potential in selling its services and products via internet. The decision of adding an e-commerce channel changes the original business strategy, influencing different management functions as well. In addition, new roles and responsibilities need to be defined to make this sales channel a success.

With this development, the scenario becomes more strategy-oriented and the transformation is growing in complexity. Consequently, the initially rather tactical project is shifted into a major transformation effort, which needs to carefully consider all facets of business transformation. In order to support the new transformation target, BTM² is used to facilitate the entire process and to coordinate between the different disciplines and stakeholders. Eventually, the strategic change also leads to a number of tactical changes. On this level, ASAP is utilized again in order to execute the individual projects.

The original goal of making a technical upgrade turned into a major shift in the strategic positioning of the sales efforts. At the end of the transformation project, the organization has a new e-commerce sales channel in place and a new set of roles and responsibilities installed. Overall, the company could increase their total sales thanks to this strategic change.

Conclusion

In this article, we highlighted the interaction of the two methodologies BTM² and ASAP. Both methodologies, individually used, provide great instruments to plan, realize, and implement changes in a business environment. Yet, together they benefit from synergies and create a huge value addition.

As learned from the use cases, on the one hand BTM² is a methodology that focuses on the strategic level. It concentrates on "doing the right things" and considers all relevant activities necessary to make a business transformation successful. On the other hand, ASAP is a methodology to execute the actual changes. It focuses on "doing things right". The appropriate methodology to choose depends on the complexity, scale, and implications of the change project.

Key Learnings

- BTM² is used primarily by business functions, and ASAP is used primarily by IT functions.
- BTM² focuses on the strategic level, whereas ASAP concentrates on the operational level. BTM² concentrates on "doing the right things" and ASAP focuses on "doing things right".
- BTM² describes the necessary steps and paths to take. ASAP complements these activities on the tactical level and drives them to execution.
- The appropriate methodology to choose depends on the complexity, scale and implications of the business transformation.

Service

AUTHORS

Prof. Dr. Axel Uhl is head of the Business Transformation Academy at SAP. He has been a professor at the University of Applied Sciences and Arts Northwestern Switzerland (FHNW) since 2009. Axel Uhl received his doctorate in economics and his master in business information systems. He started his career at Allianz and worked for DaimlerChrysler IT Services, KPMG, and Novartis. His main areas of research are sustainability and IT, leadership, and business transformation management.
a.uhl[at]sap.com

Jan Musil has over 20 years of consulting, general management and operations experience in the IT industry. He is currently leading the Global Project Management Practice in the SAP Services organization. Jan is passionate about project management excellence; he works closely with SAP customers advising how to improve time to value through efficient use of acceleration techniques proven in SAP implementations. Since starting in SAP in 1996, Jan has held various roles in product development, quality management, customer support, consulting organization and operations in the United States, Germany and Czech Republic.
jan.musil[at]sap.com

Tammy Johnson is the North Central Practice Head within Business Transformation Services in North America, leading a team of Business Transformation Principals focusing on transformation roadmaps, innovation, business architecture, and value management. She has over twenty years of consulting experience developing enterprise application strategies for global organizations requiring significant value adoption, organizational redesign and process improvement.
tammy.johnson[at]sap.com

Lisa Kouch is a Senior Project Manager at SAP. She is a graduate of Villanova University and is a registered Project Management Professional (PMP) with PMI. Previous to joining SAP, Lisa worked for The Amber Group and Accenture specializing in the Financials, Controlling, and Project Management areas.
lisa.kouch[at]sap.com

BIBLIOGRAPHY

- Stiles, P., Uhl, A. (2012). Meta Management: Connecting the Parts of Business Transformation. 360° – the Business Transformation Journal, issue no. 3, February 2012, 24-29.
- Uhl, A. (2012). “Introduction”. In: Uhl, A., Gollenia, L.A. (eds.). A Handbook of Business Transformation Management Methodology. Farnham, UK: Gower Publishing, 1-12.
- Winter, J. (2011). “SAP Rapid Deployment Solutions – The Basics”, SAP Services Blog, 3 October 2011. Available from: http://blogs.sap.com/services/2011/10/03/sap-rapid-deployment-solutions-%E2%80%93-the-basics/ [Accessed 21.11.2012].