

Final Report

Gartner Study 2000: “SAP Competence Centres - Pain or Gain?”

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Key Business Issue

Maximisation of ROI of SAP within an enterprise

Strategic Business Assumption

Scarce SAP resources and skills need to be retained within the enterprise throughout the SAP Life Cycle

Strategic Business Imperatives

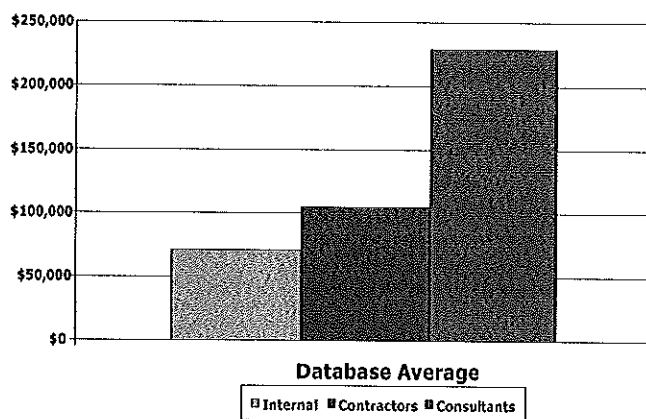
Adoption of an SAP Competence Centre as a clear Best Practice

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3.2.4 Costs

We all know that internal resources are usually cheaper than external ones, providing we are comparing equivalent skills and knowledge - which may not always be true. Let us assume that they are.

Average Annual Cost per FTE Breakdown



The graphic above reveals a typical ratio of three to one for annual costs of external consultants, compared to internal resources. This information may again be useful metrics for the purposes of SAP CC headcount justification.

1 Executive Summary

Gartner Best Practices establish that resource retention is key for all SAP user communities i.e. users of R/3 or mySAP.com. Replacement of lost resources and re-establishing SAP skills within the enterprise is highly cost-intensive.

Organisations that are able to increase retention rates can expect much lower life cycle costs for the SAP application. This also increases their ability to react faster to business changes and enables the enterprise to keep the SAP application in-line with the business processes needed to adapt to the changes.

Setting up a new Competence Centre (CC) requires careful planning and relevant metrics to support the planning process. This includes headcount as well as metrics that can support the budget planning for an ongoing CC.

PROBLEM: Data that was needed to develop relevant metrics has not been available and Gartner received lots of client inquiries to support the process of setting up a CC.

This Survey revealed consistent data for 23 companies that have been through the implementation effort for an SAP Competence Centre.