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# The Softer Side of Application Lifecycle Management

## 5 Facets That Will Boost Your ALM Efforts

Companies aiming to accelerate innovation and get the most out of their SAP implementations often turn to application lifecycle management (ALM) to help them do so. SAP provides SAP Solution Manager and ALM tools and processes, which are critical components for deriving sustained value from SAP applications. However, these play only one role in an overall ALM strategy and implementation.

The ultimate goal of successful ALM is to derive continually increasing business value from SAP applications. Doing so relies on some core dimensions that go beyond the processes and tools required for implementation and operations. These additional dimensions fall under five categories: value alignment, service definition,

talent, governance, and organizational change management. Collectively, these dimensions can be considered “the softer side of ALM” (see **Figure 1**).

### #1: Value Alignment

Value alignment for ALM occurs when the purpose of the Center of Expertise (COE) is to increase value to the business and provide a support service. Many COEs focus on achieving service levels which tend to be reactive (including response time and resolution time associated with user requests). Value alignment is achieved, however when the COE drives *proactive* enhancement activity that aligns with an SAP customer’s transformation goals or specific business or functional objectives (including cost reduction, sustainability, and compliance).

Deloitte’s approach to application management services (AMS) helps companies identify KPIs and implement business value improvements. Our Enterprise Value Delivery for Application Management Services (EVD for AMS) methodology includes a discipline focused exclusively on value delivery.

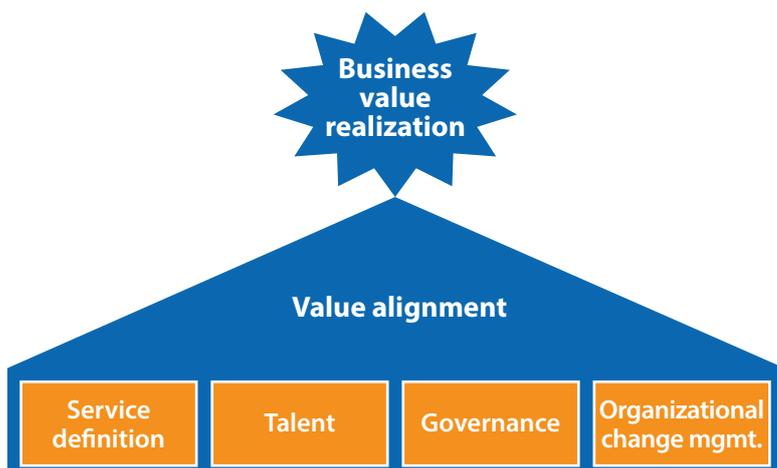
### #2: Service Definition

COEs are often the primary responsibility of the IT organization and deliver functional and technical support for a company’s SAP applications. However, achieving sustained value from these applications also involves business process or functional owners, training and change management organizations, super users, IT infrastructure managers, and third parties. Often, the roles and responsibilities of these various stakeholder groups are not clearly defined or understood. To reap the full benefits of a COE and an ALM strategy, companies must define the COE’s scope and the roles and responsibilities of each stakeholder group.

For instance, they must ask up front: “Who is responsible for new user training?” and “Who owns our master data?” Likewise, when deploying applications according to Run SAP and ALM methodologies, it’s important to raise questions about whether to include legacy

“In implementing application lifecycle management at Sysco, we have recognized the critical importance of gaining ‘buy-in’ from all of the impacted stakeholders and clearly defining their responsibilities.”

— **Gordon Prendergast**, Senior Director in IT, Sysco Corporation



**FIGURE 1** ▲ The dimensions that make up the softer side of ALM

applications or who is responsible for new projects early on. Deloitte's EVD for AMS methodology includes a planning and definition phase that not only focuses on the services that Deloitte might provide, but also addresses the role of all of the affected stakeholders.

### #3: Talent

When determining how to establish a COE, inevitably the first question asked is, "How many people will it take and how do I get them prepared?" A particular challenge for COEs working on a new implementation is the fact that it can be difficult to determine the required level of support for the application being implemented. And, of course, without knowing how many people — and which skillsets — will be required, determining how to get the support staff on-boarded and trained quickly becomes a dilemma.

To address this, Deloitte has developed the Application Management Estimating Model, a parametric estimator for COEs. Based on inputs, such as modules, numbers of users, complexity, coverage hours, customizations, and the technical environment, this model uses experiential data and industry benchmarks to estimate the staffing required for the support of SAP applications. With this information, Deloitte can help the company design and deploy the appropriate staffing model.

### #4: Governance

In the context of ALM, governance is primarily a set of structures (a steering committee, project management office, and change control board) and procedures that manage prioritization, compliance, resources, and performance. SAP Solution Manager's change and release management (ChaRM) functionality provides an effective mechanism for automating and enforcing these governance procedures, but the challenge often comes in the pre-work that has to be done before utilizing ChaRM. This involves prioritizing enhancements and other application changes.

For the best results, the prioritization decision should be made by those who have the greatest understanding of the business process and the value that is anticipated from the application change. Identifying these stakeholders and empowering them to make decisions on behalf of the business units impacted by the system change is just as critical as having tools and procedures to enable the execution of their role. Effective execution of the governance process is a key role of the COE, and Deloitte works with clients to help them

"Airgas chose Deloitte's nearshore/offshore solution for the provision of application management services during our multi-stage SAP rollout. One of the keys to success was working closely with Deloitte to diligently define the roles and responsibilities of the various teams involved."

— **John Smith**, Vice President of Information Technology, Airgas

clearly define and staff the governance structures along with implementing the governance procedures.

### #5: Organizational Change Management

Though the value of effective ALM is well understood, as are the processes and tools for implementing it, the success is a function of effective organizational change management. Effective change management requires clear role definition, communications, training, support, and feedback. Take, for example, a company implementing SAP Solution Manager's business process monitoring (BPM) capability, which enables users to determine if a business process is executing as expected within pre-determined parameters. To reap the full benefits of this capability, the company must have effective change management that will enable them to:

- Clearly define the end-to-end business process that its BPM implementation will monitor
- Identify the key performance metrics
- Put in place a cross-functional team that is trained and ready to identify and respond to any issues

Deloitte's EVD for AMS methodology supports the change management process, particularly during the transition from an SAP implementation project to ongoing production support (the transition phase).

### Learn More

Deloitte's application management services, supported by its EVD for AMS methodology, deliver COEs that are experienced in the implementation and use of Run SAP and ALM tools and processes. In addition, Deloitte focuses on the softer side of ALM, working closely with clients to implement the business value orientation, scope definition, effective staffing levels, and governance required to make ALM a success. For more information, visit [www.deloitte.com/view/en\\_US/us/Services/consulting/technology-consulting/application-management-services](http://www.deloitte.com/view/en_US/us/Services/consulting/technology-consulting/application-management-services). ■