



**Megamind Consulting's**  
***Offerings***  
**SAP Upgrade**

Megamind Consulting

***...on the threshold of collaborative commerce,***  
*failure to maintain and upgrade your enterprise business systems is*  
*strategically unsound and fiscally irresponsible !!*

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## Introduction

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**Megamind Consulting** is an upcoming IT solutions provider with a dedicated and talented resource base and an experience in developing and implementing high quality systems for manufacturing plants, corporate offices, sales offices and sales outlets. It specializes in providing end-to-end solutions for its clients that tackle aspects of an enterprise over a complete software development life-cycle including Analysis, Data Management, Enterprise Resource Planning, collaboration over the Web and Customer Relationship Management

As the world prepares itself for the next technological wave that will radically change the way business is done, Megamind Consulting sees itself creating strategic advantage for its customers through its role as a catalyst between its customers and its technology suppliers.

To do this the company realizes that innovating, inventing and adapting for the future is essential, which is why we have set up strategic alliances with some of the leading technology providers.

This document focuses on SAP Upgrade and its value proposition.

ERP continues to be the leading application category amongst a plethora of new hot applications. In many companies, the key business and IT priorities change significantly since the ERP Project is first initiated. In most companies, an understanding of both the magnitude of the task and the long-term maintenance and support requirements is usually missing. As a result, many companies find themselves two or three years later with stalled implementation projects and ERP systems that are only partially deployed and several releases out of date.

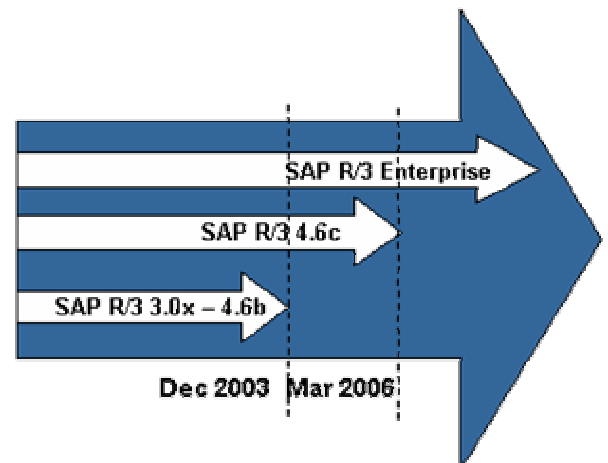
The daily increasing requirements for business solutions demand continuous functional enhancements to the SAP software. SAP Release upgrades enable you to take advantage of these enhancements. Your system needs to be optimally upgraded and to continue to operate efficiently in the new environment.

Companies that do not continue their implementation rollout and don't make the investments necessary to sustain and increase usage of the system could be making an expensive mistake.

A SAP release upgrade enables you to take advantage of functional and operational enhancements. Nevertheless an upgrade plan needs to consider lots of issues and details. Planning carefully ensures an optimum upgrade project that makes the ERP works at it's full potential.

Latest technology and new functionality from new release is also necessitated as:

- Must improve/capture benefits from existing processes
- Want to enhance productivity
- Need new functionality
- Want to get rid of existing 'bolt-ons'
- Need to prepare for new initiatives like CRM, SCM, BW
- Buying and Selling Products over the Web

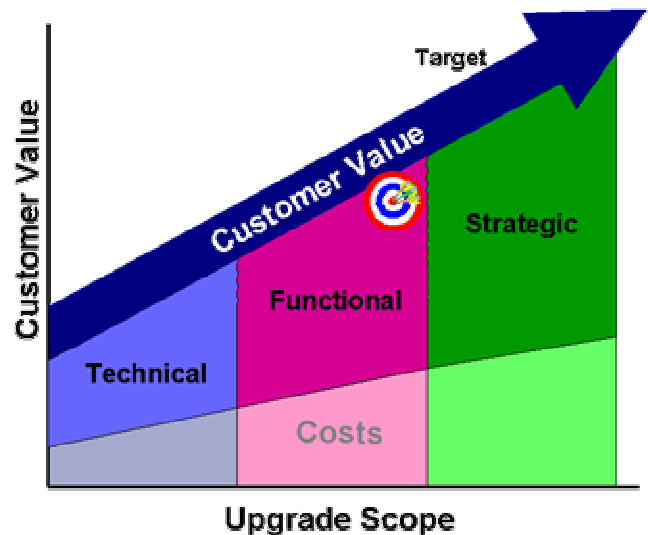


## Upgrade Value Proposition

Companies need to understand that an ERP system like R/3 is a very expensive and valuable asset. The business cannot be run effectively without a modern and integrated information system of this kind, and the replacement cost can be enormous. Like any other important company asset, an ERP system requires regular maintenance and upgrades in order to protect and enhance the investment. Most managers seem to believe that most of what's needed is technical updates and bug fixes to guard against technological obsolescence. The real threat to an ERP system, however, is diminished usage.

R/3 is a critical piece of the company's infrastructure. Functional managers and users need to understand that extending the deployment of R/3 and increasing the number of employees using the system are strategic objectives. Allowing a partially implemented system to languish creates higher integration costs and has a negative impact on every subsequent e-business initiative that interacts with the company's internal business systems. An active program to enhance and revitalize the ERP implementation is both fiscally prudent and strategically sound.

Organisations need to have a clear understanding of the value they are going to get out of an upgrade. The business drivers identified by the organisation will greatly affect the ultimate value that it receives. If one does a purely technical upgrade they will receive definite tangible benefits; however one could also look at a more advanced upgrade scope covering business process optimization.



## Types of Upgrades

Upgrade could either be a simple technology upgrade or a business upgrade. Simple technology upgrades are upgrades of the base technology. More complex business and technology upgrades are considered to achieve the following:

- Streamline business processes
- Use standard SAP functionality in place of earlier user exits and customizations
- Examine/Remove user exits
- Remove custom and ABAP code
- Reduce ABAP reports
- Extend SAP infrastructure by implementing additional modules
- Develop business intelligence strategy concurrent with the upgrade

The upgrade can be of two types:

- Technical Upgrade (This involves an upgrade of OS, DB, R/3, non-SAP Components)
- Functional Upgrade (This involves a selection of suitable modules, scenarios and transactions in trying to exploit the functionality available in the new versions. This may lead to a change in the business processes)

Average project costs can be grouped into simple, moderate and complex upgrades:

- Simple upgrades comprising some modules
- Moderate upgrades including all SAP modules
- Complex upgrades include all SAP modules across a range of business units, countries, and geographies

## Methodology

Although each customer is unique, all upgrade projects involve analysis, technical/functional upgrade, design, testing, training, and cutover phases.

The functional testing for the upgrade can be as broad and deep as for the initial implementation, and that almost all end-user audience may need to be retrained.

The typical methodology, which is followed for an upgrade project, includes the following steps:

- Perform high-level delta training
- Assess and adjust Business Process Procedures as needed
- Setup BPP test cases
- Perform Testing
- Conduct End User Training as needed
- Go Live

## Critical Success Factors

Before making any selection, the company should develop a strategic plan for the ongoing maintenance and enhancement of its ERP system. Decisions made without a strategic context are nearly always expensive and regrettable.

Some of the critical success factors are:

- Scope based on current release(s)
- What modules or components are currently implemented
- End-user training needs
- Geographies
- Instances of R/3 and what release levels
- mySAP components within the overall scope
- Business process - how much change and where
- Devising a testing and roll-out strategy

**Accurately examine the change management and end-user training efforts:** Enterprises can successfully upgrade the system technically, but if the end users are not on board, the project will fail; **Prepare a solid test plan, including business process testing:** Will the test plan ensure that there are no shortcuts when the production cutover occurs? Will the business processes execute the way they are intended? **Scope out ABAP workbench adjustments:** Understand which past modifications will reside in current functionality, and which will not, and to what degree there will be overlays because of specific industry or geographic needs. **Leave enough time to tackle technical infrastructure requirements** and plan the system landscape

## Conclusion



Some of the reasons your company could look at while considering an upgrade:

- Benefit from continuously improved software.
- Adjust to new business capabilities in your company.
- Expand scope of commercial applications.
- Enhanced usability through integration with other systems, new front-ends, Internet and c-business scenarios.
- Optimization of the installation through new basis-features.
- Achieve lowest cost of ownership.

An ERP system is a very valuable asset with a useful life span of typically 15 to 20 years. Companies need to realize that just as their buildings and equipment require periodic maintenance, overhauls, and upgrades, so do their business systems.

Given the time, cost, and disruption of implementing a new enterprise information system, it would be very difficult to justify replacing R/3 simply because the company was unable to maintain or revitalize its implementation.

With its large pool of experienced SAP consultants, and vast implementation experience with both new implementations and upgradations, Megamind Consulting makes for an ideal partner for your SAP Upgrade.

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