WHITE PAPER

# AGILE: A SUSTAINABLE APPROACH FOR UTILITIES IMPLEMENTING SAP

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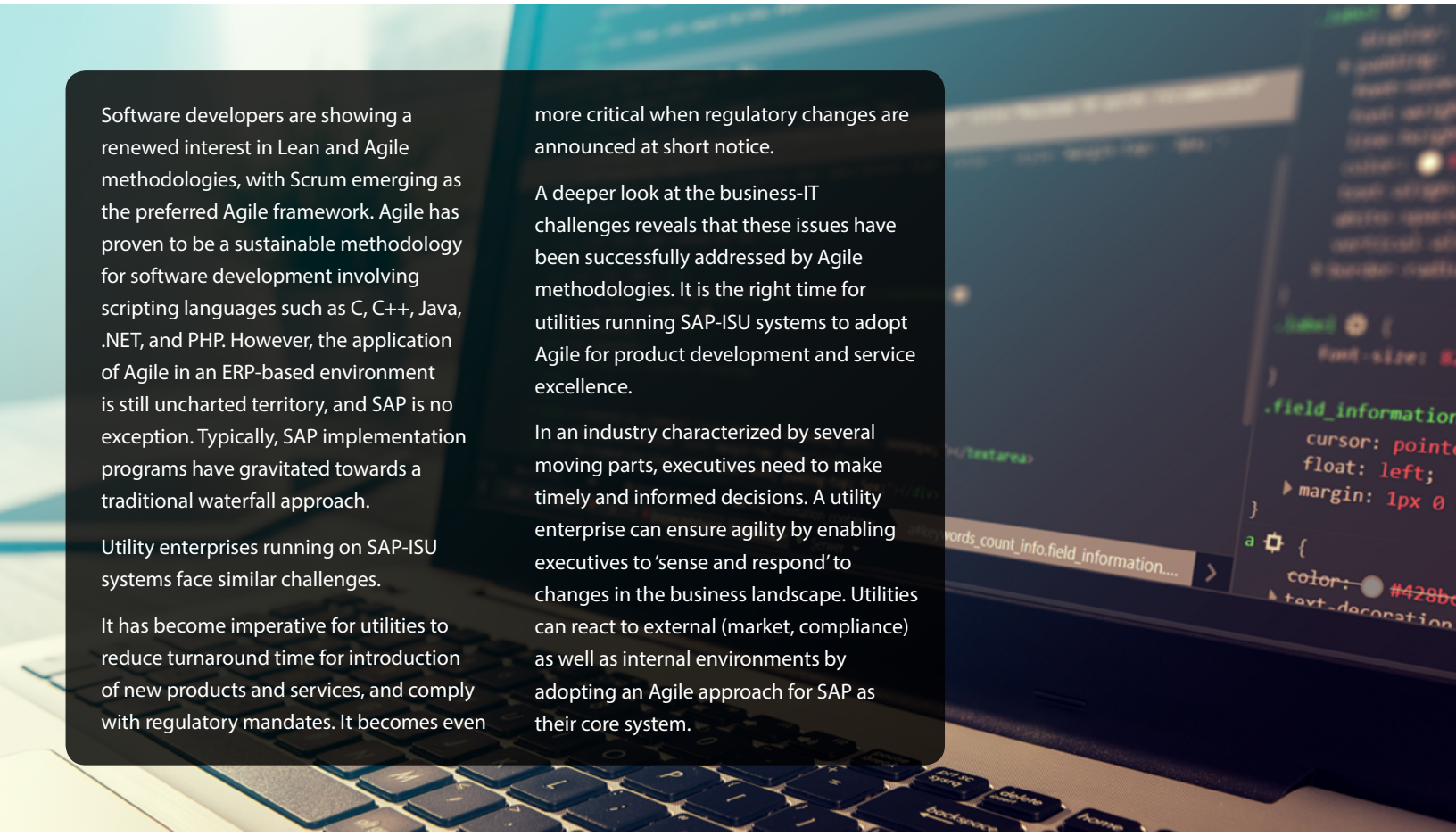


Software developers are showing a renewed interest in Lean and Agile methodologies, with Scrum emerging as the preferred Agile framework. Agile has proven to be a sustainable methodology for software development involving scripting languages such as C, C++, Java, .NET, and PHP. However, the application of Agile in an ERP-based environment is still uncharted territory, and SAP is no exception. Typically, SAP implementation programs have gravitated towards a traditional waterfall approach.

Utility enterprises running on SAP-ISU systems face similar challenges.

It has become imperative for utilities to reduce turnaround time for introduction of new products and services, and comply with regulatory mandates. It becomes even more critical when regulatory changes are announced at short notice.

A deeper look at the business-IT challenges reveals that these issues have been successfully addressed by Agile methodologies. It is the right time for utilities running SAP-ISU systems to adopt Agile for product development and service excellence.

In an industry characterized by several moving parts, executives need to make timely and informed decisions. A utility enterprise can ensure agility by enabling executives to 'sense and respond' to changes in the business landscape. Utilities can react to external (market, compliance) as well as internal environments by adopting an Agile approach for SAP as their core system.

## Key considerations before adopting Agile for SAP projects

The dynamics of both Agile and SAP systems have an important role in Agile adoption for SAP. Let us evaluate the convergence in issues emanating from typical SAP implementations and Agile projects.

| Agile drivers | SAP challenges |
|---|---|
| Short iterations – breakdown of requirements to fit in short iterations. | SAP needs a big bang approach with high visibility into the end-to-end (E2E) process / requirements.<br>How will these E2E processes break into sub-processes? After consolidation of sub-processes, how will the E2E process perform?<br>How will the outcomes of E2E processes be achieved in an iterative approach? |
| Each iteration with demo-ready functionality. | A typical E2E business process cuts across various SAP modules and may not be fully configured in a single sprint / iteration.<br>A working E2E process may only be ready for a demo after several sprints / iterations |
| One team – Dev, Test, Business - PO, SM.<br>The same team members continue with the team. | The team includes functional consultants, tech experts, business owners, developers, testers. The team composition may change based on the requirements of each phase of the project. |
| Close collaboration between team members. | Functional consultants work closely with business owners for a process blueprint. Developers and testers are usually not involved in this activity. |
| Repetitive tasks due to shorter iterations. Consequently, automation plays an important role. | Each implementation is unique and presents new challenges. Automation is not easy to implement. |

Other issues related to greenfield implementation, implementing new SAP components or version upgrades include:

- Requires upfront, high level visibility of end-to-end processes and sub-processes. It may be difficult at the beginning of the implementation and presents a challenge for SAP implementation.
- Agile requires frequent releases in the span of a few weeks. Larger processes will need several releases for workable status. During this period, it will be difficult to provide demos to the customer on the end-to-end process.
- Idealistic Agile implementation requires every sprint to invest significant time and effort on testing and regression. However, comprehensive regression can be done only when a majority of important processes are in place, end-to-end. E2E processes may take several sprints.

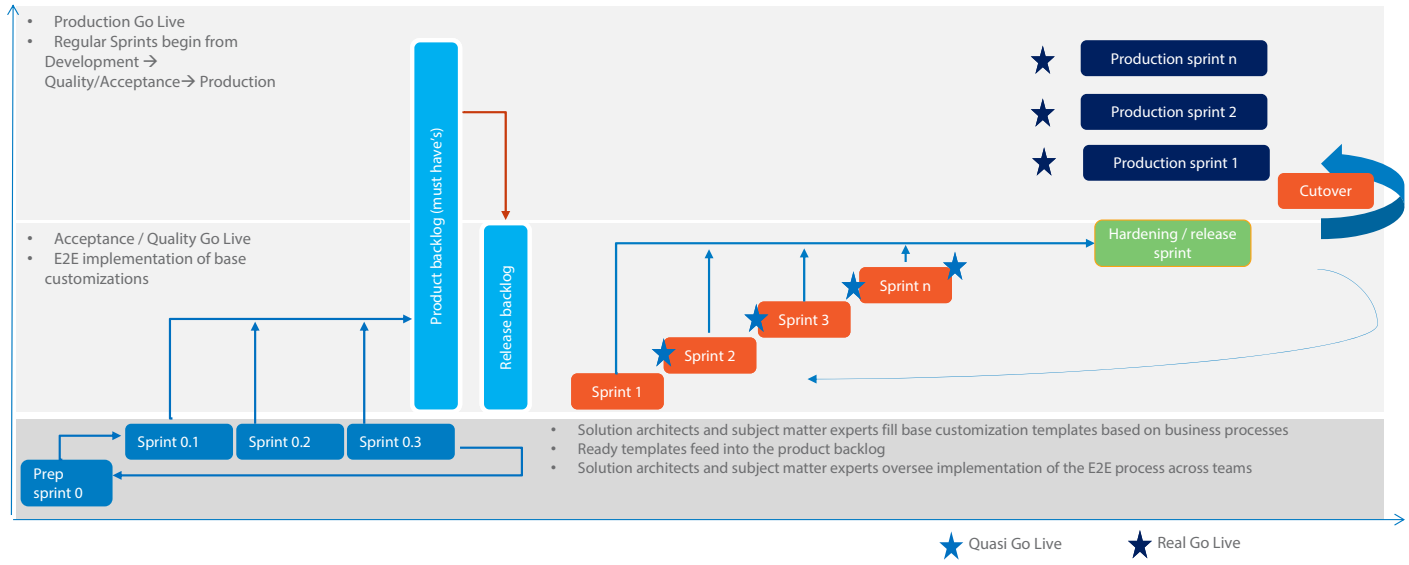
Let us focus on SAP projects that lend themselves to an Agile approach for enhancement projects and rollouts. These projects are a good fit for the Agile methodology due to the following reasons:

- A majority of key business processes are established and already in production. Only new enhancements are required, which are mostly development projects and do not affect base configurations.
- Enhancement rollouts demand a quick turnaround time for template implementation.
- Comprehensive system integration tests and regression testing is possible to ensure 'first time right' execution.
- SAP enhancements and rollouts make a business case for several Agile teams working in parallel.
- More and frequent business involvement (demos and requirements clarification) ensures 'first time right' development, resulting in high user satisfaction.
- Prioritization of functionalities helps identify the most valuable changes and enhancements, thereby delivering early business value.

This scenario holds true even for support and maintenance projects as long as there is a backlog of incidents to be resolved, for example, a legacy of unresolved incidents from previous projects.

Infosys has developed an Agile approach for greenfield SAP implementations based on their global SAP experience. The team composition can vary based on the Agile experience of the organization and team members working onshore or offshore.

## InfyAgile for SAP Projects




Our strategy is based on real-world experience of partnering with utilities running on SAP ISU, and working in Agile with Scrum as the Agile framework. Infosys has implemented this strategy for a European utility with encouraging business outcomes:

- 20% reduction in time to Go Live
- Value delivered in every sprint (three weeks or less) as opposed to heavy releases every few months
- 30% reduction in after-care issues, escaped defects
- Better transparency in the progress and monitoring of the implementation

## About the Authors

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Marc Hogenboom is a principal business consultant with more than 25 years of experience in the utility industry. He was a key executive of the core team in four greenfield SAP implementation projects and headed the SAP Infosys team for adopting an Agile approach at a utility enterprise.

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Avneet Singh is a senior SAP consultant at Infosys with more than 11 years of experience in the utility industry. He is also an Agile expert, having delivered over 100 sprints of SAP application development and maintenance, with Scrum as the Agile framework. He is currently anchoring a digital metering program for a Dutch utility.

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