

SAP ERP

**EVOLVING TO A BUSINESS PROCESS  
PLATFORM WITH SAP® ERP**

UNLEASH THE POWER OF ENTERPRISE  
SOA TO GAIN COMPETITIVE ADVANTAGE



THE BEST-RUN BUSINESSES RUN SAP™



# EXECUTIVE SUMMARY

## SAP® ERP AND ENTERPRISE SOA: DRIVING BUSINESS INNOVATION

As businesses seek to increase their agility and deliver additional value to their customers, they are taking advantage of their business networks to transition from simple suppliers of products to complete solution providers. At the same time, successful companies are implementing strategic business initiatives – such as creating new markets or launching new offerings – to enable competitive advantage. Companies are now looking for new ways to meet increasing requirements in the areas of collaboration, risk and compliance, mergers and acquisitions, and environmental health and safety.

Not surprisingly, companies are turning to their IT departments to address these challenges.

This is where the road to enterprise service-oriented architecture (enterprise SOA) starts. Flexibility and rapid innovation become a necessity, and savvy IT departments must evolve their existing IT infrastructures into more flexible environments. Enterprise SOA provides the foundation for building IT solutions that support experimentation and new business models – faster and at lower cost than any other approach now available. By taking advantage of service-enabled applications and technology from SAP, companies can more easily update existing processes or create new business processes to enable competitive advantage, reduce complexity, and add value across their business networks.

With the service-enabled SAP® ERP 6.0 application, your organization has the required foundation for enabling enterprise SOA and future business innovation. Companies that upgrade to SAP ERP 6.0 can put enterprise services to work immediately to solve business problems. Using enterprise SOA, your company can implement business innovation more quickly and with minimal effort. Because enterprise SOA brings simplicity and transparency to your ERP software, you can readily adapt SAP ERP 6.0 to meet the business needs of your organization.

# RESPONDING TO NEW BUSINESS CHALLENGES WITH ENTERPRISE SOA

## AGILITY IS ESSENTIAL FOR SUCCESS

Businesses today are undergoing faster and more profound change than ever before. Competitive pressures, global economies, and government regulations are just some of the influences driving companies to become more agile in responding to changing business needs. As this change occurs, companies are differentiating themselves from their competitors in several ways.

**Companies are transforming business networks to deliver more complete solutions to their customers.** For many companies, global business networks are a primary source of innovation and competitive advantage.

**Companies are implementing strategic business initiatives to increase business agility and improve operational excellence.** Organizations that continuously deliver new capabilities and enhance core capabilities faster than their competitors can achieve a sustainable competitive advantage.

To support business network transformation and enable strategic business initiatives, IT departments must be able to respond quickly to changing business requirements while keeping costs down. IT departments, however, may have difficulty shifting from tactical to strategic thinking, for several reasons.



First, traditional packaged applications with tightly integrated functionality form the backbone of much core business software. This software can be difficult to reuse, and modifications are often complex and costly. Second, businesses often have heterogeneous landscapes that require custom integration. As a result, introducing or making even simple changes to business processes means cobbling together applications that span the business network.

To address these issues, your company must be able to evolve its existing IT landscape into a more flexible environment that both ensures the stable operation of core applications and enables rapid innovation.

SAP can help you manage the balancing act between innovation and stability and achieve a business process platform that leverages enterprise SOA. A business process platform is the unified environment that companies implement to perform core business processes and to reorganize, extend, and create new business processes flexibly at predictable costs across the IT landscape. With this platform in place, your organization's employees, partners, customers, and suppliers can become collaborators, working together to achieve new levels of flexibility and efficiency throughout the extended network.

# EVOLVING TO A BUSINESS PROCESS PLATFORM

## USE SAP ERP TO OPTIMIZE YOUR VALUE CHAIN

Your company can adopt an enterprise SOA using the SAP NetWeaver® technology platform and the SAP Business Suite family of business applications as its technology and business enablers. SAP NetWeaver provides the tools that let your organization model your own service-enabled applications easily and cost-effectively, without programming knowledge. The SAP ERP application helps you optimize your entire value chain and make your business processes more flexible, so you can react more quickly, cost-effectively, and innovatively to changes in the industry and market.

SAP Business Suite and SAP NetWeaver technology platform components can be used to evolve your organization's existing software infrastructure into a business process platform. Figure 1 shows an example of a business process platform for a large enterprise, with SAP ERP as the key building block and Enterprise Services Repository in its center.

Moving forward, all new functional enhancements to this software platform will be made available as extensions in a series of optional enhancement packages, eliminating the need for your company to continually upgrade its software to take advantage of the newest technology and software innovations from SAP. Starting with SAP ERP 6.0, SAP is using enhancement packages to replace the traditional technique of improving and augmenting your core processes supported by SAP ERP. Instead of waiting for new functionality to be packaged with a new release of the software, you can implement innovation from SAP smoothly and easily whenever you need it – and avoid a major upgrade project.

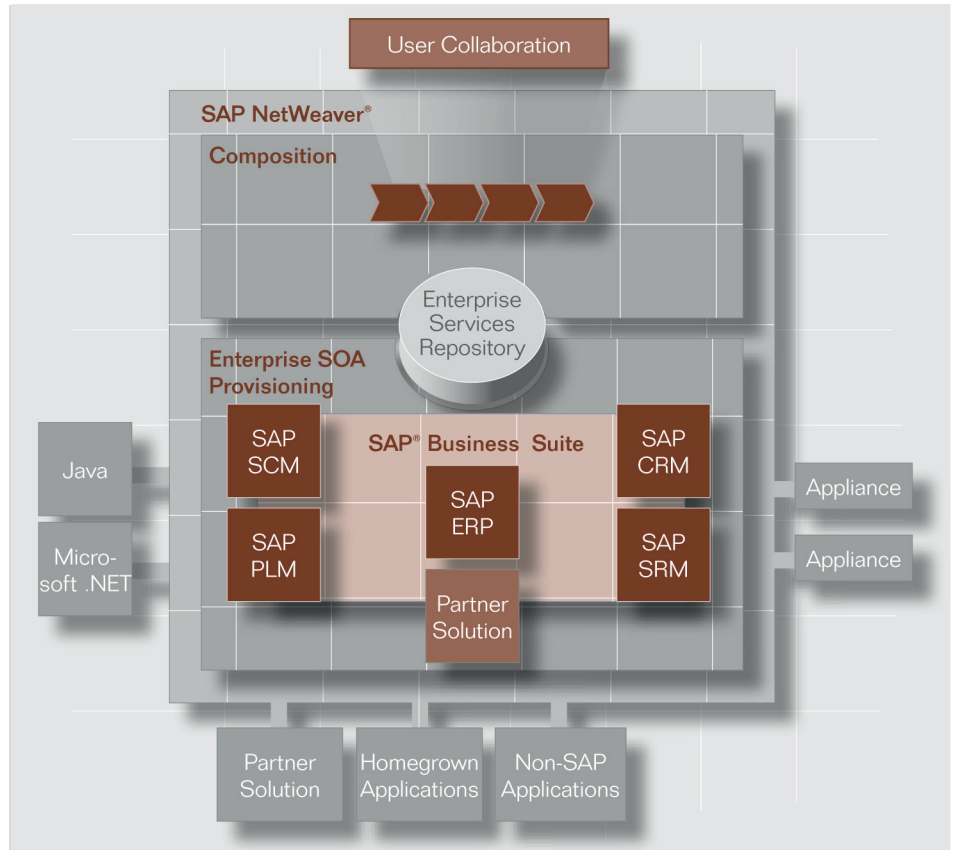


Figure 1: A Business Process Platform Using SAP Software as a Foundation

SAP delivers innovations through enhancement packages on a regular basis. These packages quickly and easily provide business and industry-specific functionality, enterprise services, and other functions that help improve and simplify the use of SAP ERP through user interface and other end-to-end process improvements.

Figure 2 shows the road map and contents of enhancement packages for SAP ERP that have already been delivered or are planned.

### Enterprise SOA in a Nutshell

Enterprise SOA revolutionizes the design of business applications, enabling the rapid composition of business solutions. Enterprise SOA components can be used to extend the functionality of your organization's business process platform. With enterprise SOA, you can encapsulate business logic and expose it as enterprise services – smaller functionality components that can be reassembled quickly to form new business solutions that

	Enhancement Package 1	Enhancement Package 2	Enhancement Package 3	Enhancement Package 4*	Enhancement Package 5*
Simplification	Role-Based Access	Order to Cash	Procure to Pay	Attract to Perform	Accounting to Reporting
Enterprise SOA	Adaptive Manufacturing	Order to Cash	Procure to Pay	Financial Shared Services	Additional Enterprise Services
Functionality	HR Shared Services	Recruiting	Fast Closing	Talent Management	Treasury
Industries	Retail	Service Industries	Trading Industries	Discrete Industries	Process Industries

\*Planned enhancement packages: subject to change

Figure 2: Road Map for SAP® Enhancement Packages for SAP ERP 6.0

meet changing business requirements. Based on the SAP NetWeaver technology platform, enterprise SOA provides you with business- and industry-specific context views through enterprise services and safeguards your IT scalability, robustness, and governance. Enterprise SOA is your blueprint for an adaptable, flexible, and open IT architecture for developing services-based, enterprise-scale business solutions.

Enterprise SOA includes the following components.

#### Enterprise Services

These highly integrated Web services, combined with business logic and semantics, can be accessed and used repeatedly to support a particular business process.

With the Enterprise Services Community program, SAP actively engages customers and partners in the process of identifying and defining enterprise services. SAP publishes all enterprise services on the Enterprise Services Workplace (ES Workplace) site located on the SAP Developer Network site.

SAP offers a wide range of opportunities to discover and evaluate enterprise services. Through ES Workplace, partners, developers, and customers have straightforward access to the latest versions of all enterprise services available for the SAP Business Suite applications. ES Workplace represents the public Enterprise Services Repository for SAP, which provides information from a business and technical perspective about all enterprise services cur-

rently available from SAP. For more information about the rich content of ES Workplace, visit [www.sdn.sap.com/irj/sdn/explore-es](http://www.sdn.sap.com/irj/sdn/explore-es).

#### Enterprise Services Bundle

An enterprise services bundle is a collection of enterprise services that extend the functionality of SAP ERP 6.0 or other SAP Business Suite applications and thus the business process platform. Each bundle provides a new set of services, along with documentation on how the services can help organizations extend and reconfigure processes or specific groups of related processes. With enterprise services bundles, you can build new applications and composite applications on top of existing SAP processes and the scenarios they support; enrich existing processes to achieve higher process efficiency; increase process openness, flexibility, and efficiency; and much more.

The catalog of enterprise services bundles is published in the Enterprise Services Wiki. It comprises innovative business scenarios complementary to SAP Business Suite, organized by application and industry, and is accessible to all SAP partners and customers at <https://wiki.sdn.sap.com/wiki/x/LQ00>.

SAP delivers enterprise service bundles along with enhancement packages for SAP ERP 6.0.

#### Enterprise Services Repository

This repository is the central place where enterprise service definitions are stored and maintained to enable life-cycle management of all enterprise services used at a customer's organization.

# SAP ERP AS KEY BUILDING BLOCK FOR A BUSINESS PROCESS PLATFORM

## LAYING THE FOUNDATION FOR MAXIMUM BUSINESS INNOVATION

Within SAP Business Suite, SAP ERP and its processes enabled by enterprise services play a major role in building a business process platform that leverages enterprise SOA.

The technical prerequisite for enterprise SOA is usually an upgrade to SAP ERP 6.0, which is based on SAP NetWeaver 7.0 and is the foundation on which all the enterprise services bundles are constructed. Implementing all the products related to adopting enterprise SOA, including SAP ERP, enterprise services, and SAP NetWeaver, enables you to evolve your organization's current IT landscape into a business process platform. To speed this evolution, your company can actually deploy Enterprise Services Repository right away, before an upgrade is complete, so that you can begin to design solutions based on enterprise services immediately.

### Upgrade to SAP ERP 6.0

Fully exploiting the benefits of SAP ERP 6.0 and enterprise SOA requires the successful execution of an upgrade to SAP ERP 6.0 – and a well-defined upgrade strategy. The upgrade strategy usually consists of several steps that progressively expand functionality, increase business value, and prepare the organization for the transition to enterprise SOA. This complete process typically lasts three to five years and has the following stages.

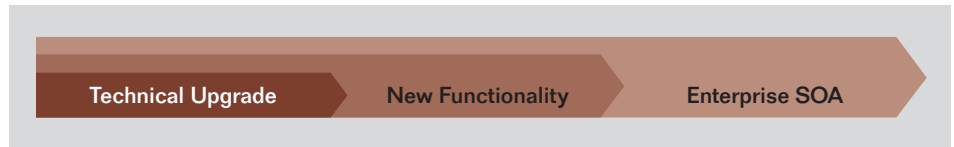


Figure 3: Three- to Five-Year Business Road Map Toward Enterprise SOA

#### Technical Upgrade

This initial stage involves a purely technological upgrade whose major goal is the implementation of the new software release as the foundation for all subsequent improvements. The previously used business functionality is retained, and the extent of modifications and custom developments is reduced, which decreases cost of operations and system complexity. The impact on the business and on business processes is very limited. This technical upgrade creates the basis for functional and strategic improvements.

#### Functional Enhancements

The next stage involves implementing the most valuable new functionality and aims at increasing business value, thus laying the foundation for future business innovation and improved process automation. During this phase, SAP modifications and custom developments are replaced with (new) standard SAP functions. This phase aims for business benefits and focuses on improving operational excellence – picking “low-hanging fruits” for the greatest business benefit with the least effort.

#### Strategic Enhancements – Evolution Toward Enterprise SOA

In this stage, the company implements new and optimized business processes and scenarios that fully exploit new SAP ERP functionality and enable enterprise SOA. Further systems or system components may also be implemented during this phase, depending on the business needs of your organization.

#### For More Information

For more information about how you can enable a business process platform with SAP solutions, visit [www.sap.com/platform/index.epx](http://www.sap.com/platform/index.epx).

For more information about enterprise SOA, visit [www.sdn.sap.com/irj/sdn/enterprisesoa](http://www.sdn.sap.com/irj/sdn/enterprisesoa).

For more information on SAP ERP, SAP enhancement packages for SAP ERP, and SAP upgrade services, visit the following pages:

- <http://service.sap.com/erp>
- <http://service.sap.com/erp-ehp>
- <http://service.sap.com/upgrade>
- <http://service.sap.com/upgrade-erp>



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