

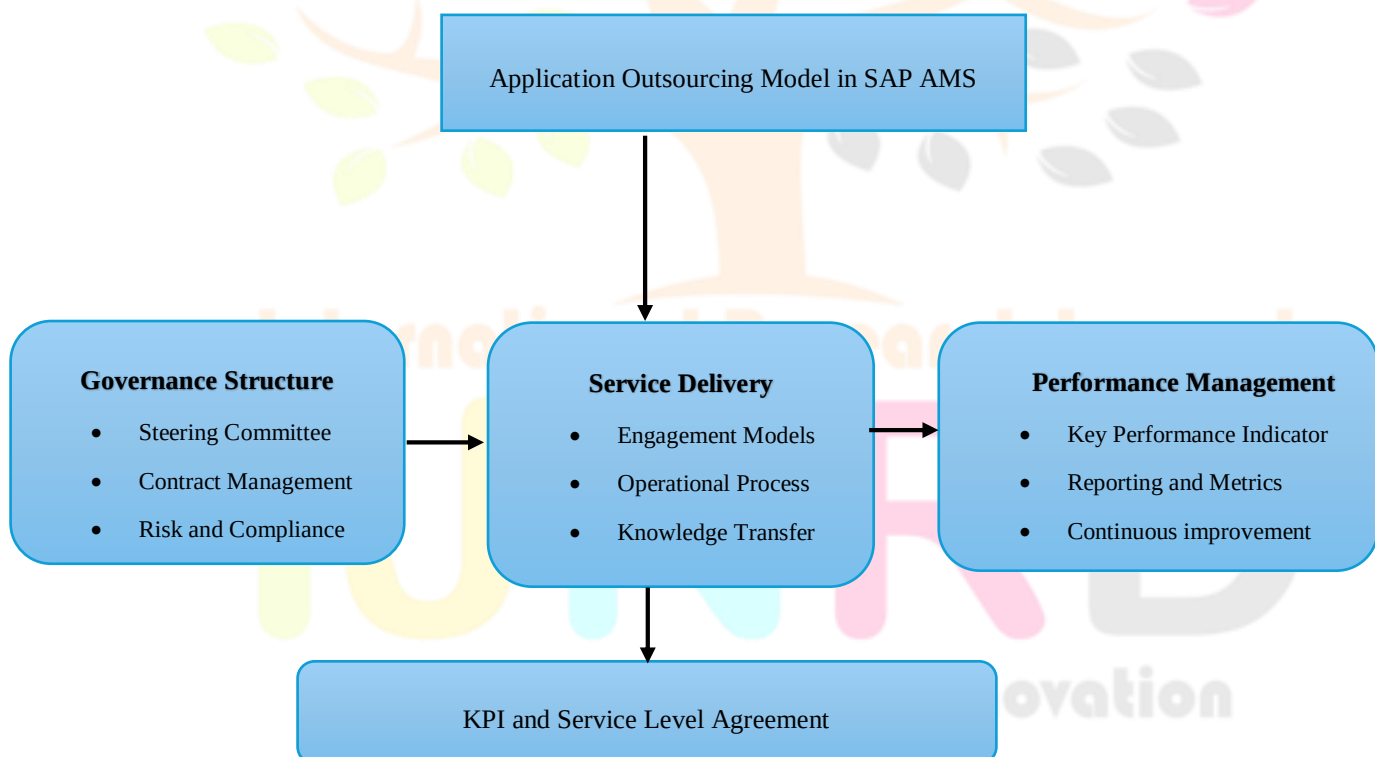
Governance and KPI-Driven Application Outsourcing Models in SAP AMS Projects

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Introduction

The increasing reliance on SAP systems for core business processes has led to a surge in demand for Application Management Services, prompting organizations to explore various outsourcing models to optimize costs, enhance service quality, and maintain system stability. A critical aspect of successful SAP AMS outsourcing lies in establishing robust governance frameworks and Key Performance Indicators that align with the organization's strategic objectives. Effective governance ensures that outsourcing activities are aligned with business goals, risks are mitigated, and service providers are held accountable for delivering agreed-upon service levels. The absence of a well-defined governance structure can result in cost overruns, poor service quality, and ultimately, failure to achieve the desired business outcomes from the SAP investment. Key performance indicators serve as quantifiable metrics for monitoring the performance of the service provider and the overall health of the SAP environment, offering helpful information about areas requiring improvement and enabling data-driven decision-making. Many companies are deciding whether they should outsource various business activities. Furthermore, as businesses rely more on cloud computing and platform ecosystems, accessibility, ownership, integrity, and regulatory compliance of data become more difficult. It is important to understand connectivity and vulnerabilities that exist between the area being considered, the rest of the organization, and possible service providers. This research reviews the nuances of governance and KPI-driven approaches within SAP AMS projects, aiming to identify best practices and develop a comprehensive framework for organizations to leverage in their outsourcing endeavors.



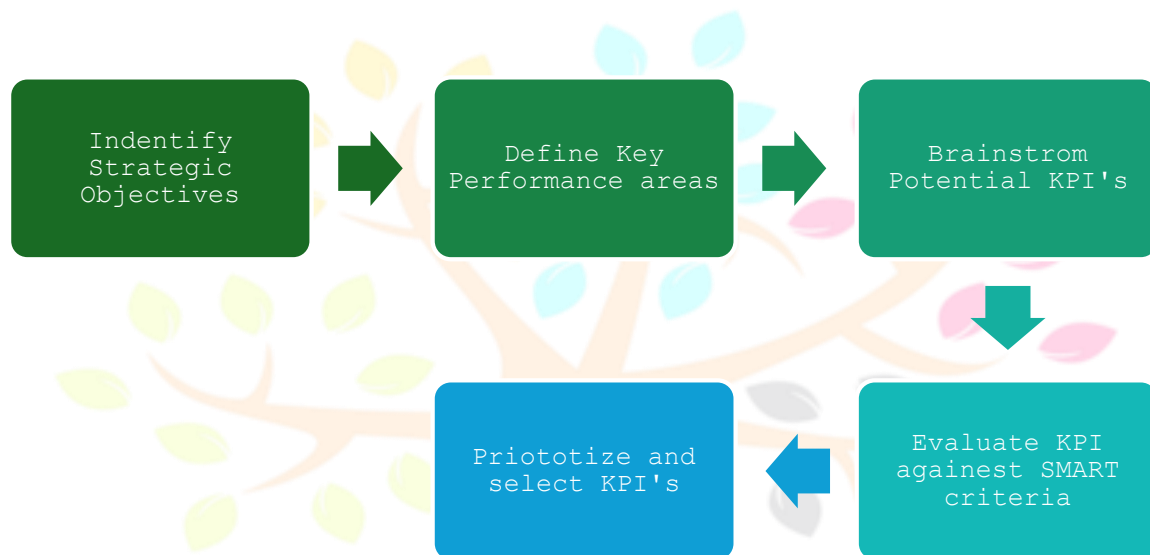
Literature Review

Effective governance in SAP AMS outsourcing requires a multi-faceted approach that encompasses strategic alignment, risk management, performance monitoring, and relationship management. Strategic alignment ensures that the outsourcing arrangement supports the organization's overall business strategy and objectives, and that the service provider understands and is committed to achieving those objectives. Risk management involves identifying, assessing, and mitigating potential risks associated with the outsourcing arrangement, such as data security breaches, service disruptions, and vendor lock-in. Performance monitoring entails tracking key performance indicators to measure the service provider's performance against agreed-upon service levels and to identify areas for improvement. Relationship management focuses on building and maintaining a strong, collaborative relationship with the service provider, fostering open communication and mutual trust. Key Performance Indicators play a crucial role in monitoring the performance of the service provider and the overall health of the SAP environment. Key Performance Indicators should be carefully selected to align with the organization's strategic objectives and should be measurable, achievable,

relevant, and time bound. Typical Key Performance Indicators in SAP AMS projects include incident resolution time, system availability, change request completion rate, and user satisfaction. These KPI's enable the service to track the areas where improvements have to be made.

Methodology

To achieve the research objectives, a mixed-methods approach will be employed, combining qualitative and quantitative data collection and analysis techniques. Qualitative data will be gathered through case studies of organizations that have implemented SAP AMS outsourcing models, focusing on their governance frameworks, KPI selection, and overall experiences. Semi-structured interviews will be conducted with key stakeholders, including IT managers, business users, and service provider representatives, to gain insights into the challenges and successes of their outsourcing initiatives. Quantitative data will be collected through surveys and analysis of performance reports to measure the impact of governance and KPI-driven approaches on service quality, cost savings, and business outcomes. The research design will incorporate a comparative analysis of different outsourcing models, such as onshore, offshore, and nearshore, to identify the most effective approaches for different organizational contexts. We collected data from multiple sources to determine the optimal solution for the AMS project.



Expected Results

The anticipated outcome of this research is a comprehensive framework for governing SAP AMS outsourcing projects, incorporating best practices for KPI selection, performance monitoring, and relationship management. and Discussion

The framework will provide organizations with a structured approach to ensure that their outsourcing arrangements are aligned with their strategic objectives, risks are mitigated, and service providers are held accountable for delivering agreed-upon service levels.

The research will also identify the key factors that contribute to the success or failure of SAP AMS outsourcing projects, which will be helpful to organizations considering or currently engaged in outsourcing arrangements.

Furthermore, the research will develop a set of industry-specific KPI's that can be used to measure the performance of service providers and the overall health of the SAP environment in different industries.

The findings of this research will be disseminated through academic publications, industry conferences, and practical guides to inform and educate organizations on the best practices for governing SAP AMS outsourcing projects. By providing a comprehensive framework and practical guidance, this research aims to help organizations maximize the value of their SAP investments and achieve their desired business outcomes through effective outsourcing.

The research will also explore the role of automation and artificial intelligence in SAP AMS, and how these technologies can be leveraged to improve service quality, reduce costs, and enhance governance. This research contributes to the existing body of knowledge by providing a comprehensive and practical guide for organizations seeking to optimize their SAP AMS outsourcing arrangements.

Conclusion

This research will offer practical advice to organizations looking to leverage SAP AMS outsourcing to improve their IT operations and drive business value.

The research aims to create a practical guide for organizations to make sure their outsourcing deals match their goals and that service providers are responsible for meeting the agreed service standards by focusing on governance and KPI-driven methods.

The research will also contribute to the existing body of knowledge on IT outsourcing by providing empirical evidence on the effectiveness of different governance models and KPI's in the context of SAP AMS projects.

The findings of this research will be of interest to IT managers, business leaders, and academics seeking to understand the challenges and opportunities of SAP AMS outsourcing.

By providing a comprehensive and practical guide, this research aims to help organizations maximize the value of their SAP investments and achieve their desired business outcomes through effective outsourcing strategies. This research will serve as a valuable resource for organizations looking to optimize their SAP AMS outsourcing arrangements and achieve their desired business outcomes.

Reference

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