

SAPinsider 2013: Leading the Way in In-Memory Applications

CIMdata Commentary

Key takeaways:

- *Over the last several years the SAP PLM portfolio of solutions has made great strides, making the question “why not SAP?” harder to avoid for potential customers and competitors alike.*
- *SAP’s in-memory technology, HANA, is providing significant revenues just a few years from its late-2010 launch.*
- *Over the next few years, additional SAP offerings will be built upon HANA to leverage its ability to rapidly analyze and visualize big data.*

SAP collaborated with its long-time partner, Wellesley Information Services (WIS), to hold their tenth SAPinsider event from March 3 to 8 in Las Vegas, Nevada. Over 1,500 people attended tracks on enterprise resource planning (ERP), supply chain management (SCM), customer relationship management (CRM), and product lifecycle management (PLM).

The keynote from Steve Lucas, Executive Vice President, SAP Database & Technology, highlighted SAP’s 2010 in-memory product introduction, HANA. In the presentation, titled “Business Suite on HANA: Innovation at the Speed of Imagination,” Mr. Lucas used some facts to emphasize just how much (and how fast) the world is changing:

- Globally, there are more mobile devices than people.
- The amount of data produced and managed is doubling every 18 months.
- The “middle class” now includes over 5 billion people worldwide.
- One billion people are on Facebook.
- By the end of 2013 there will be over 15 billion Web devices.

SAP’s in-memory applications are known for helping people work faster—from 10 to 10,000 times faster according to Mr. Lucas. SAP is introducing over 400 optimizations for the top 500 SAP reports, making them 1,300 times faster. Beyond just speed, Mr. Lucas also claimed these in-memory applications will make our business lives simpler, and help us work smarter. The clean, streamlined user interfaces seen in the demonstrations showed how much easier it was to access and analyze large volumes of information. The graphics and analytics capabilities demonstrated how easy it was to make quick, optimal decisions based on the most up-to-date information. Over the next few releases, according to Mr. Lucas, SAP will build increasingly more solutions on top of HANA to provide added benefits, including SAP Portfolio and Project Management (PPM), which is part of the SAP PLM portfolio of solutions.

The SAP PLM keynote also highlighted some product and implementation enhancements. Over the last several years, SAP has had great success with their SAP PPM offering, which primarily supported three use cases: capital project management, IT portfolio management, and new product development and introduction (NPDI). SAP recently introduced a fourth business process, commercial project management, for companies in the business of running projects, such as construction and engineering-to-order companies. The solution integrates SAP PPM with their ERP offering to bring in cost and revenue data, and other necessary information. Early customer feedback is promising and the solution is currently in the Ramp Up phase, a precursor step to general availability.

SAP is also moving beyond their traditional Environmental Health and Safety (EH&S) offering to something they call “Embedded Product Compliance,” which will include compliance analytics and dashboards for standards like REACH (Registration, Evaluation, Authorisation, and Restriction of CHemical substances).

Finally, the SAP PLM Alliance (<http://www.sapplmalliance.com/>) historically focused on direct integrations between leading mechanical computer-aided design (MCAD) systems and SAP PLM. Strong MCAD integration capabilities are essential to support discrete manufacturing firms who want to manage their CAD-centric product development processes using SAP PLM. Improvements in these capabilities have helped SAP and their alliance partners claim more customers over the last several years. To get to the next level of tool integration, SAP made significant investment in 2012 in a new “Authoring, Simulation and Tools Integration Framework” for MCAD integrations that over time will extend to other authoring and analysis tools, such as electronic design automation (EDA) and simulation & analysis (S&A).

When attending these events, it is important to spend time with alliance members, as they have their fingers on the pulse of SAP PLM’s evolving capabilities to manage “engineering work-in-process.” A conversation with one partner revealed that in 2012 they worked with seven major companies, mostly in industrial equipment, that were considering SAP PLM after a long-time commitment to another PLM solution provider. Two made the decision to change, and the other five are still in play. This partner claimed that they were winning half of the technical benchmarks on such accounts. Examples like these suggest that the question of “why not SAP?” for managing engineering-centric product development may be getting a new answer.

SAP is known for publishing wide-ranging product roadmaps, and making slow and steady progress on them. At this event, their SAP PLM “maketecture” included systems modeling, simulation data management, electronic design automation (EDA), and application lifecycle management (ALM). All these potential additions will require integrations of 3rd-party solutions with SAP PLM. The new Integration Framework and their PLM Alliance provide the technical and business framework to achieve these goals. The introduction and rapid uptake of SAP HANA (in 2010) and SAP PPM show that maybe these long timeframes can be shifted, making SAP a more nimble competitor. Their Rapid Deployment Solutions (RDSs) are designed to get new solutions into customers’ hands more quickly, reducing time to value. With SAP ERP already in place at thousands of manufacturers, the market opportunity is right in front of them.

About CIMdata

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