ERP and Low-code

Low-code platforms gain popularity because they enable organizations to develop applications rapidly against lower costs. Low-code platforms are more and more used to develop performant, scalable and secure mobile and web applications. Gartner predicts that by 2024, low-code application development will be responsible for more than 65% of application development activity. Also suppliers of ERP packages are embracing low-code platforms.

Mobile apps

For a long time packaged-based solutions were preferred above bespoke development. A "SAP, unless" policy was the doctrine for many CIO's. But this is changing. Today, a number of organizations are following an opposite policy to create competitiveness by preferring bespoke development using a low code platform.

Initially, it started with application development of their customer-facing applications, e.g., web-based and mobile apps. For this, a dedicated development platform was selected. But facing the results in time-to-market and facing the extreme high productivity of software development, more and more applications were built or replaced by native cloud app development.

SAP

Suppliers of ERP packages are also embracing low-code platforms. An example is SAP. Their strategy is to serve their customers with standard, out-of-the-box ERP functionality without any customization by the customer itself. This enables easy upgrades in the future, as well on-premise and cloud deployments.

SAP positions the Mendix low-code platform to develop applications on top of SAP. SAP and Mendix have a strategic alliance. Pre-built connectors are available from both. The applications integrate seamless with SAP S/4HANA, SAP C/4HANA, SAP ECC, SAP SuccessFactors, Ariba, and Concur solutions. This way, labor-intensive and costly customization is avoided.

OutSystems also connects to SAP. This is realized through SAP BAPIs or SAP OData services. Both are available for SAP ECC and SAP S/4HANA. At runtime, OutSystems monitors SAP integrations and notifies the developer if there are any errors or performance issues.

Gartner

This strategy is also presented by Gartner in their pace-layered application strategy:

·   Systems of innovation: applications to support new business models,

·   Systems of differentiation: applications to support services and products to differentiate from the competition,

·   Systems of records: applications to support generic business functions that everyone is using.

SAP is perceived as a system of record. Certainly, everyone including the competition is using SAP. But to make the difference, uniqueness and speed to reduce time-to-market are required to increase market share. In this domain, a low-code platform proves its added value. But also, in the domain of the systems of innovation where one wants to experiment with new services and a quick response of market feedback is key, low-code platforms prove their value by rapidly putting new or changed functionality into the market place.

Migration to SAP S/4HANA

It is common knowledge that SAP implementations go along with a lot of customization realized by ABAP programming. Despite the organization's policy to implement SAP "as-is" and adapt their processes and way-of-working to the offered standard functionality, in practice, it ends with labor-intensive and costly ABAP programming to meet the demands and requirements of the business user community. This is one of the reasons why ERP implementations are underestimated in timelines and costs

Some organizations are changing their policy. In their migration to SAP S/4HANA they replace the ABAP programming by low-coding with Mendix or OutSystems. Their business case is always positive as low-coding is 10 to 15 times more productive than ABAP programming. And said again, this enables easy upgrades in the future, as well on-premise and cloud deployments of standard SAP functionality.

Take away

Above cases underline the changing policy regarding the predilection of packaged-based solutions. For the systems of record a packaged-based solution is still preferred, but it is implemented as-is of-the-shelf, no customization. In addition, the systems of differentiation and the systems of innovation are developed and deployed using a low code platform. This is the new policy.

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