

# ERP: Keep the Core Clean

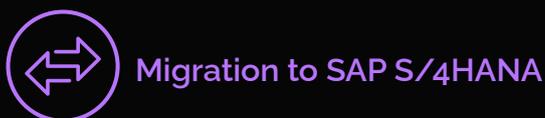
For a long time packaged-based solutions were preferred above bespoke development. A "SAP, unless" policy was the doctrine for many CIO's for many years. But this is changing. Today, a number of organizations are following an opposite policy to create competitiveness by preferring bespoke development using a low code platform. As Gartner states: "by 2024, 65% of new applications supporting business will be built not bought".

It is common knowledge that ERP implementations go along with a lot of customization. Despite an organization's policy to implement ERP "as-is" and adapt their processes and way-of-working to the offered ERP functionality, in practice, it ends with labor-intensive and costly customizations to meet the demands of the business. This is one of the reasons why ERP implementations are underestimated in timelines and costs. A striking example of a failed ERP implementation is a German retailer who dumped a €500 million SAP project after 7 years.



Suppliers of ERP packages are 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 in the core of SAP. This enables easy upgrades in the future, as well on-premise and cloud deployments.

Mendix – the leading low-code platforms named by Gartner and Forrester – integrate seamlessly with SAP by SAP OData services. The applications integrate with SAP ECC and SAP S/4HANA, among others. At runtime, the SAP integrations are monitored. Due to a strategic alliance among SAP and Mendix, SAP positions Mendix to develop customizations and enhancements on top of SAP. This way, labor-intensive and costly customizations are avoided, which lowers the TCO of SAP.



The customizations of SAP hinders the migration to S/4HANA. SAP R/3 and SAP S/4 implementations are characterized by massive customizations, e.g.: configurations, rule frameworks,



and ABAP Java programming. Some SAP systems are heavily customized due to migration from legacy systems with programs from 15+ years old SAP systems. It is no exception that a current R/3 or S/4 implementation counts on average about 5,000 – 10,000 customized objects. Assuming that it takes 1 to 2 days to migrate one customized object to S/4HANA, the migration is a very expensive exercise. Moreover, the backlog of business requirements grows as IT budgets are assigned to the migration instead of improving business operations and business innovation.

Introduction the Mendix low-code platform into the SAP application landscape avoids an expensive migration. Replacing the ABAP Java programming by low-code before the migration to SAP S/4 HANA reduces the migration costs and the complexity. The business case is always positive as low-coding is at least 10 to 15 times more productive than ABAP Java programming. And, as said before, it enables easy upgrades and deployments in the future.

# ERP: Keep the Core Clean



## Low-code in an SAP landscape

There are a few reasons to put Mendix into an SAP landscape. First, the lowering of the TCO of SAP. New and enhanced functionalities are realized with low-code. It avoids SAP customizations and keep the SAP core as standard vanilla, avoiding labor-intensive and costly customizations, and future maintenance costs.

Secondly, improving the time-to-market of new products and services. New and enhanced functionalities are realized with low-code speeding up developments 5 to 10 times compared to Java and C#.

And, last but not least, reducing the costs of a migration to SAP S/4HANA by cleaning up the core before migrating. And keeping it clean in the future. This will reduce the complexity and costs of the migration. Moreover, it will speed up the migration project and shorten timelines so that IT budgets and efforts can be engaged earlier to address the backlog on business requirements that were postponed due to the S/4HANA migration.



## Line-of-Business applications

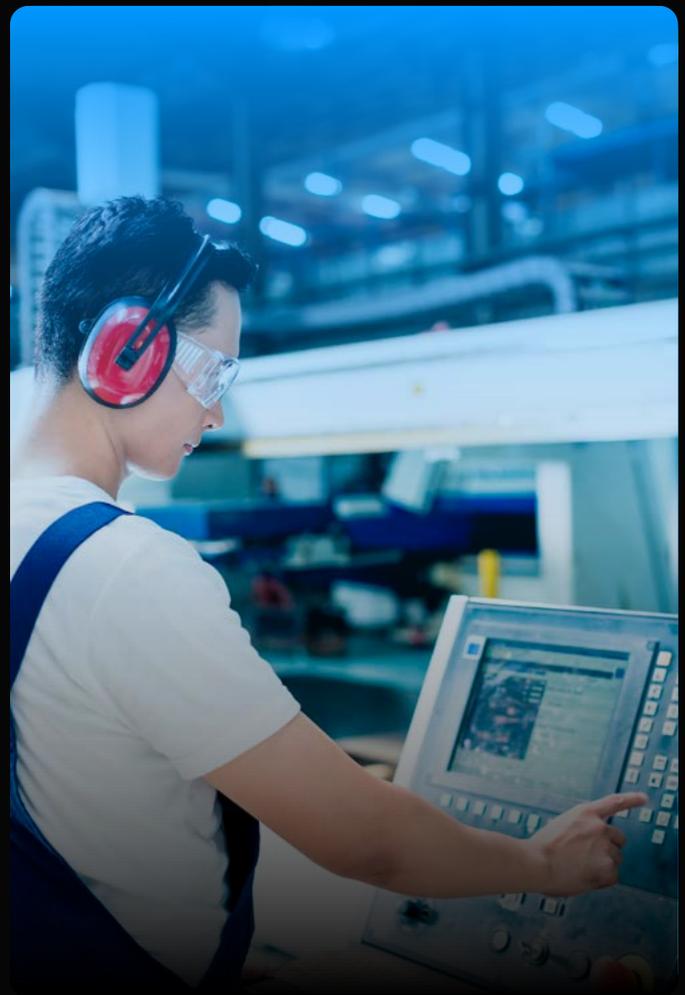
Next to all of this, the low-code platform Mendix enable the organization's digital transformation. Mobile and web applications are realized rapidly with a seamless integration with back-end systems. Applications run on multi-platforms and provide an awesome user experience.

The low-code platform Mendix is also engaged to replace all applications in the peripheral of the ERP application landscape. Often there are a lot of business applications close to SAP built in technologies like MS Access, Excel, SharePoint, Lotus Notes, and Visual Basic. These applications and their technologies are replaced by the Mendix platform, along with the replacement of shadow IT applications. This simplifies the technology diversity of the application landscape and reduces the TechDebt.



## Take away

To conclude, clean up the SAP Core from customizations before migrating to S/4HANA. Replace ABAP Java customizations by low-code to reduce migration complexity and costs. Realize future customizations and enhancements with low-code to enable easy upgrades in the future. Replace peripheral and shadow IT applications in the ERP landscape by one low-code platform to reduce technology diversity and to reduce the TechDebt.



### About the author

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