Chapter 14

The SAP Ecosystem: A Knowledge Perspective

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This paper derives from a parent study titled, Co-operative ERP Lifecycle Knowledge Management (Gable et al., 1998). The central goal of that study is to rationalise knowledge management activities of the three key players involved in ERP lifecycle support; namely the client, the vendor and the implementation partner or consultant. The consultant can play varied roles in a greater or lesser capacity across client ERP installations. It is posited in the parent study that the consultant’s role (and the roles of all key players) should be driven by a carefully considered ERP lifecycle-wide knowledge sourcing strategy for the client. Understanding the ERP knowledge marketplace and related dynamics is of clear value to the development of such strategy. In this paper we tentatively explore the concepts of “knowledge-sourcing” and “knowledge strategy friction.” We further describe a preliminary attempt to instantiate these concepts through an exploratory, descriptive case study of the “SAP services ecosystem.” A broader, related objective of the parent study is to test the power of a “knowledge sourcing world-view” and the integrative potential and explanatory power of such a perspective, with particular emphasis on ERP marketplace dynamics.

INTRODUCTION

This chapter represents a qualitative, descriptive and exploratory case study of the knowledge sourcing activities of consultants in relation to the ERP lifecycle. The context of the study is the SAP “eco-system.” Data collection has primarily

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involved review of literature, discussions and interviews with practicing ERP consultants, discussion and interviews with vendor representatives from SAP, and reflection on the personal prior consulting experience of the authors with the packaged software marketplace. Much of the literature reviewed were proprietary industry reports (e.g., Gartner Groups, Yankee Group, Delta, etc.) which cannot be cited. Little academic literature specific to the subject under discussion is available.

**ERP and the SAP ecosystem**

A new class of packaged application software has emerged over the past decade, ostensibly consolidating under a single banner, a multi-billion dollar industry that includes SAP AG, the world’s fourth largest software vendor, several other of the largest software firms and the world’s largest management consulting organisations. Variously called enterprise resource planning systems (ERP), enterprise-wide systems, or simply enterprise systems, these comprehensive, packaged software solutions seek to integrate the complete range of a business’s processes and functions in order to present a holistic view of the business from a single information and IT architecture (Gable, Scott & Davenport, 1998; Klaus, Rosemann & Gable, 2000).

A range of influences, have encouraged the increasing uptake of ERP, which already account for a substantial portion of the world-installed base of application software. The world-wide market for enterprise application packages, exclusive of all related hardware and implementation costs, is expected to grow to $US52 billion by 2002 (AMR Research, 1998).

The term SAP Services Eco-system, first coined by the Gartner Group (1998), refers to the group of firms and professionals worldwide who derive their livelihood from the supply of SAP related products and services. Though discussion on the ecosystem could extend to other important players and relationships (e.g., SAP’s hardware partners), the emphasis herein is on systems integration service partners of SAP whom we refer to as “consultants.” We place particular emphasis on the large, regional and international consulting firms most often selected as “implementation partner” by ERP clients.

*Table 1: Consultants employed on SAP related work*

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<td>45%</td>
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