
Podcast: The State of SAP HANA - Four SAP Mentors Share Their Views

"Covering the present and future of HANA with four Mentors on an international call... raising a few unanswered questions as well. (ERP Lounge #20)"

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The story of SAP HANA is unfolding so rapidly that it's hard to keep up - even if you are following the developments closely. Too often, there seems to be a gap between the HANA buzz and the reality on the ground. Before the SAP TechEd season kicks into high gear, now is the perfect time to take the HANA pulse. Fresh off of several sessions with the SAP HANA team, including blogger and Mentor meetings, Jon Reed pulled together three SAP Mentors for an international call to get their views on HANA as it stands today.

During this 60 minute podcast, you'll hear SAP Mentors Vijay Vijayasankar, John Appleby, and Vitality Rudnytskiy give their views on HANA from the field. Between the three of them, John, Vijay and Vitaliy have written most of the crucial blogs on HANA and it was great to get them onto the same call.

The podcast covers four main topics:

- Assessing SAP's HANA vision
- Looking at the realistic "hype free" use cases for the short term
- Discussing what SAP needs to do to make good on the vision
- Evaluating SAP's HANA PR and messaging

In addition, we covered several other big issues in depth:

- The viability of HANA in the cloud
- Recent changes to the HANA naming conventions
- HANA upskilling and education
- What SAP needs to accomplish with HANA at the fall TechEds

Important: This podcast makes reference to an article by SAP's Bob Evans that originally appeared on SAP.com and was later posted on SAP's Advice section on Forbes, which can be defined as sponsored content in that context since SAP

pays to place that content on Forbes Advice. Vitaliy refers to previous Forbes articles that were not part of Advice but were posted by Forbes tech bloggers (example here). Note that Vitaliy's cell phone connect to our podcast was a bit harsh, but if you missed anything, we put together detailed notes of the call below. This podcast skips some of the basics of HANA, so you may want to listen to our previous HANA podcast with SAP first. John Appleby's HANA FAQ also covers many of the basics.

Editor's note- podcast links: Vijay Vijayasankar and Vitaily Rudnytskiy have both been blogging in detail on HANA. John Appleby has blogged in detail on HANA on his Bluefin Solutions blog and also on his blog on SCN. Jon Reed also covers the range of reaction to HANA at Sapphire Now in his Enterprise Irregular blog post: Analyzing the Real News Stories of Sapphire Now 2011, Part One: The Impact of HANA. Other links: SAP Mentor Initiative. You can view the Hasso Plattner and Vishal Sikka Sapphire Now keynotes, both of which were heavily centered on HANA, with a free log in. You can also check out SAP's In-Memory Home Page on SCN.

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Podcast Highlights

2:18 What's your take on SAP's big picture HANA vision? Vijay: I definitely think SAP deserves full credit for the HANA vision. They are not the first to jump into in-memory computing, but they're doing it at the right time with a progressive roadmap, with the final vision being putting all the products into in-memory. Vitaliy: the vision seems more blurry to me after Sapphire. Last year it was about OLTP and OLAP running on the same platform, that was a great vision and I'm still looking forward to it. But as last year progressed, more and more separate branches were coming out of HANA, and therefore, the vision as we knew it has slightly changed, from enabling OLTP and OLAP to enabling a platform for many products. I feel like the vision shifted more from business value to technology value. Right now I need to hear from SAP more clearly what the vision for in-memory computing is and how HANA as a platform fits in.

John: I'm pretty much in line with you guys here. SAP has created a hype around in-memory that didn't exist before, so I think that's quite visionary. When we come down into a level of detail, things get a bit messier as you say, Vitality. But at the 30,000 foot level, the vision makes sense, and it has generated a lot of buzz from the CIOs I talk to - they see it as a disruptive technology for the future.

5:55 Jon: What I think resonates with customers around the HANA vision is the two facets of reducing the cost of ownership but also making sense of what to do with the Business Suite. SAP has for some time now agreed that they aren't going to rewrite the entire Business Suite for the cloud, so ok: then how do you gain better performance for the Suite and turn it into a next-generation product? When Hasso talks about HANA and the Business Suite, and about moving some of the intensive aspects of the Suite into HANA, that part makes a lot of sense to me. Where we run into questions is: for a while, it felt like HANA was a database, or analytics running on an IMDB. But now it seems SAP has changed the terminology. Vitaly, your thoughts?

7:00 Vitaliy: I believe that if we want to track the change in the HANA vision from last year and this year, it's enough to look at the naming changes around the product. When it was first announced, it was "High Performance Analytics

Appliance," but then it was changed to SAP In-Memory Appliance, so we dropped the word "analytics" because the appliance can do more than that. The most recent name changes, which you can see on SAP.com and on product slides, it's now just SAP HANA and all the component are aligned with the convention, such as SAP HANA Platform, SAP HANA Database, SAP HANA Studio, SAP HANA Application Cloud. So SAP HANA is becoming a trademark that is linked to different concepts within SAP's systems.

So the question is SAP HANA a database or a platform, it's a bit confusing because "SAP HANA" is a trademark and it can be linked to different components. The SAP HANA platform can be delivered as either an appliance or a cloud, and it's being delivered in two different use cases. The most common ones discussed are: around analytics (operational data marts) and the separate use case is as SAP HANA as enabled for the different SAP HANA applications that are coming. SAP did a good job with this new naming convention, but the many name changes introduced a lot of confusion.

10:04 Jon: This new naming convention clears up a lot of the "is HANA a database or a platform" kind of confusion by basically saying, "it's an umbrella - all of the above." Let's dive into the use cases that are realistic right now. There is a hotly anticipated Service Pack coming later this year with BW on HANA, but what are the use cases that customers can look at right now - not as a roadmap question for this year, but right now. Vijay: Today, if someone has to use HANA it's definitely a data mart analytics type of use case. There isn't any write back functionality yet, so OLTP is not an option. But as an operational data mart, it's brilliant. If you put data into it, in theory, you can get it out very quickly. That's by far the best use case for HANA right now - the operational data mart.

Every company has this requirement in some shape or form. That in itself should get some companies into HANA, but then, is the investment proportional to the benefit? That's where the variety of use cases makes it kind of hard. How many people would have used BW without business content? People expect a pre-built applications that they can copy and use. SAP is not known historically for being a platform sales company, maybe with the exception of Sybase. But those are the use cases currently.

13:00 John: SAP is not a platform company and they are struggling to sell HANA on that basis. But when they build more industry solutions, apps, and content they will be much more comfortable taking it to market. The current use cases that are really interesting are the reasonably large data volumes, I struggle to use the phrase "Big Data" because I'm not sure SAP really gets what "Big Data" means - we're talking about 20 terabytes and up and HANA is not yet ready for that type of volume just yet. But mid-data where the semantics of that data are relatively simple - that's a good use case for right now. I have an example of a customer that has retail data, about 2 billion database records per annum, and they think they can get enormous amount of value by analyzing that stuff at the line level, they have a DB2 database and they don't think they can analyze it at the line level and get the value they want. I think those are the good use cases for HANA right now.

Vitaliy: I 100 percent agree that once there are applications shipped specific for HANA, it will be an absolute hit. This is where the sweet spot is. BW is just one of many applications you'll be able to run on top of HANA, and once you have that and new applications, I believe it will be an absolute hit. Here I am cautiously optimistic. BW running on HANA is very promising for big volume processing. With regards to the next six months, I believe there is one very interesting analytics data mart scenario.

If you look at BWA's history, at some point in time SAP started shipping Business Objects Explorer Accelerated BOEA, and BOE Accelerated Wave 2, with a special connector from SBO Data Services."For these folks, HANA is a bigger and better alternative to BOE Accelerated. Not just because it has a robust database engine, but it has a pretty good studio for data modeling, and much more native integration with Data Services' ETL tool, to explore it via BOE, and the potential

to expand it further to other BO tools. So for those looking at a BOEA wave 2 project, HANA can be compelling.

17:30 Vijay: There was always a certain level of abstraction in the ERP suite, very few understand how the data works behind the scenes. It was always about objects instead of tables. But HANA is about tables, for now. I thought SAP would include more abstraction in the first release of HANA, because it would have had immediate use to lots of customers, speeding up their reports and so on using existing skill sets. Vitaliy: It's interesting Vijay mentioned ABAP integration. I believe SAP's Rapid Deployment Solutions (RDS) for HANA will help as well, plugging into ERP the same as BWA does now. This way, you'll move into the OLTP database but also into HANA, for example CO-PA functions that can run much faster in HANA. This can be another promising use case for the next six months.

19:26: Jon to John: Do you have an example for an immediate HANA impact? John: The one which is being talked about right now and is really easy to understand is the General Ledger example. It's a good one because it related to so many organizations. Many organizations use BW to report on the General Ledger - they load the data overnight and reconcile at month's end. HANA is very appealing here, because you can pull the data in for near real-time, which means that if you need to cross-post and reconcile, you can do that much more quickly than you could. In many cases you can knock a half a day or a day off your local close, which is well worth having.

The second benefit which is really interesting is that you can easily build line-level information and report on that, which means that the operational analysts trying to find anomalies in cost centers and reporting and get into the detail of the general ledger very quickly, and thereby find errors and corrections faster than they could, and you could potentially reduce the size of that analyst team as well. Vijay: Real future utility, right? Imagine how much less tables you would need in FI. If they could rewrite FI, they wouldn't need 20 or 30 tables to handle FI transactions. If you have in-memory, there's no need for aggregation and so on. You could do it in 2-3 tables, the applications can be so lean and high performing when HANA gets there.

22:06 Jon to the guys: Let's talk about the transaction from the near-term to what SAP needs to achieve the bigger vision. Vitaliy, apps are clearly a key, and a robust ecosystem of HANA apps are going to be needed for SAP to move into that HANA umbrella vision, the new platform. What else is needed to get there? Vitaliy: If I knew how to get there I would be SAP CTO, but I am not. From my perspective for the product to become a successful solution, you need to think a bit broader, not just about the technical bits and pieces.

You need to have product, and we're going to get there soon. But you have to have appropriate processes and people as well. This is where people are waiting on the process side - what are the best practices for the changes in IT and business processes? And what about the people? You cannot get product to value without people who can successfully use it. We are waiting for SAP to come with the portfolio of education courses, not just an overview of what they have right now, but a deep dive into the particular aspects of the technology for people to be trained to deal with this technology. Once you have people, you can make technology successful.

24:45 Vijay: For technology, obviously lots of things need to be done, nevertheless, I do have a question on how stable a 1.0 release is. I can't remember the last time SAP came out with a 1.0 release. Even when I started R/3, it had been there for several years. For a 1.0 product, this is new for most people at SAP I would think. They will run into challenges for every major part of HANA - integrating into BW, into R/3. I would like to hear more about the ramp-up KPIs for HANA and whether they can be released in a client scenario. Customers need these kinds of benchmarks to be able to check back and see how they compare with other uses of this new product. We may need some fresh rules for HANA.

27:00 Jon: When we talk about moving into a new technology area, we talk about upskilling and education. @Vendorprisey Thomas Otter actually Tweeted at Sapphire that "SAP is betting its future on HANA." A lot of SAP professionals have gotten that message but aren't sure how to proceed. So where are we with education and how does it fit in? John: If you look at how SAP is selling HANA, it's a three tiered aspect: vision, use cases, and monetization. Most of the customers are still in the vision phase, so that's where the market is currently. When people start implementing HANA< that won't be good enough. Right now, the two day Walldorf courses are a thin veneer of technical details compared to everything customers will need to know to implement. So the real question heading into the fall season is: to what extent will SAP use the upcoming TechEds as an opportunity to upskill the people on the ground, getting them using HANA appliances and virtual machines, and really allowing a grassroots revolution to happen amongst the technical people. John to Jon: what's your take on that piece of it?

Jon: SAP has heard the message that they need to provide TechEd attendees with hands-on opportunities with HANA. Where we often struggle with SAP Education is understandably they are not on pace with the product. A lot of the course and the curriculum work that would round out a bonafide HANA training program doesn't really exist at present. In some ways it's easier to let someone play with tools at TechEd than to roll out a complete curriculum for project teams. In my talks with SAP, they have acknowledged some surprise at how much upskilling is needed to rollout HANA in an organization, so they are aware of this issue, but we haven't seen a lot of specifics on what the upskilling process looks like.

30:46 Jon to Vijay: What have you learned about upskilling for HANA? Vijay: We sent a lot of people within my company to the two day training course, but the general idea is that I would favor, for a product this fast, is to use SDN as the teaching platform. The architecture and product leads should be throwing out How-To guides on SCN, this would be a much more efficient way to disseminate information about HANA on SCN. Most of these folks who want to break into HANA will be SAP experienced, so they may be able to get most of what they need via a HANA in the cloud instance and SCN - formal education is only a small part of this. For the grand plans SAP has selling hundreds of millions of dollars of HANA, they will have to get information out to people quickly. Vitaliy: We need to understand that there won't be a single SAP HANA role.

If we go into different aspects of IT teams, leaving business teams aside, you really need special classes for admins who are going to provide Basis-type support, then separately you need people who are capable of doing data modeling work in HANA, then you'll need for specific applications programming, you'll need real hard core developers who are coming with an SQL background who will be able to learn all the tips and tricks with SQL Script, SAP's programming language for HANA. So there isn't one kind of expert or one kind of course that will cover all the roles and skills needed. Jon: I agree. HANA will be very similar to BI in that it will have touch points on a range of technical and functional SAP roles, so there is a lot of work to do.

34:10 Jon to Vijay: You've been a bit skeptical about HANA In the cloud, you've raised the question of performance, and how something like Sales and Operations Plannig which is so intensive, what are your thoughts now? Vijay: It's funny how we moved from me asking for HANA in the cloud to me being a bit skeptical about HANA in the cloud. But actually I have no doubt HANA in the cloud can work very well, where my questions come in are: what kinds of applications can work best in the HANA cloud?

I couldn't fathom how a reasonably sized SOP transaction could work in the cloud due to the amount of demand planning data involved that sits in an on-premise system. If SAP puts its in their cloud or data center...hmmm. That might not work

well. Vishal has told me that the network load is not a problem but I beg to differ. This is not a labs environment where you have dedicated lines. Most companies have a network load problem and it's not cheap to solve it. John: I'm with you Vijay. Big data in the cloud can be very problematic. Where it gets interesting is early use cases like B1, where you aren't talking about big data but big number crunching of one medium sized data set with both OLTP and OLAP combined.

Vitaliy: I didn't get enough explanation about HANA in the cloud at Sapphire. I'm still looking for more details - I think it really depends on what the definition is of this cloud we are talking about. One thing I am hoping is that for example, HANA as a platform in the private cloud for big companies. Let's say we have an app running on HANA like Strategic Workforce Planning. It's specific to HANA. How many records will it need to process. Let's say 600,000 employees, for this, do you buy HANA machine as an appliance to run this? I doubt it. So I see this kind of app, plus several other smaller apps, running in a customer's private cloud.

For the public cloud, I believe the direction is mostly for ByDesign and making sure the analytics for ByDesign run really fast in the cloud. To put talent management or expense management in the cloud, I shouldn't care if it's done on HANA or not, because I'm not dealing with the back end systems. The final open question is: will SAP provide HANA in the cloud as a platform, or a set of APIs for developers, or is it just applications provided by SAP? Vijay: there are also legal restrictions: some data cannot be held outside EU? How many companies will leave sensitive data in the cloud. SAP historically is not a big cloud provider so they have some credibility to work up there. The use cases have to be extremely well selected.

41:28 Vitaly: last week there was a very interesting meeting, a virtual meeting (ASUG webinar), with Ashish Morzaria who is leading SAP's efforts in new deployment models. SAP from what I see is extremely serious about new deployment models. If we look at HANA as an appliance right now, I don't really like to use the word, because it gives expectations that HANA doesn't deliver right now. "Appliance" implies that you plug it into the network and it works.

Right now, if you plug it in you still need experienced and skilled people who are going to support this and provide all the operations for HANA. This is why we should expect more work to be done on the SAP side along the lines of self-configuration before we call it an appliance. Right now, for example, you can configure the SAP HANA studio to be updated from the central location in your company. Technically, this is going in the right direction, and a lot of manual work is eliminated. SAP Upgrade Manager for HANA (aka SUM4HANA) will streamline the upgrade for the different software pieces running on HANA. On the conceptual level, we're talking about Service Pack Stacks for HANA, so unification of the Service Packs is something we are looking for from SAP.

44:50 Jon: now for the final segment: the messaging around HANA - I'd like to get your take. Sometimes there is more confusion - you get a buzz but you get a misperception later on. How is SAP handling HANA from a PR standpoint? John: That's a tough question and not one we can fully answer today. At the CFO level, SAP has their attention and has them interested in finding out about the product. That has to be called a PR success, and was due a lot to Sapphire. The question is what happens next, when we get to monetization and how much the value-based pricing is going to cost? Will SAP be looking for very large license numbers? If so, that could lead to a PR disaster. And is HANA really ready for complex scenarios? That's another PR issue that needs to be handled carefully, so we'll see over the next 6 months.

Jon: I was really surprised to see the HANA GA announce come out when it did. When you throw into the mix that BI 4.0, in my perception a mature product - HANA beats BI 4.0 into GA. Is that the right strategy? Are there potential for a misunderstanding or backlash because of this? Vijay: they have successfully sold a vision, and if they can realize it, all will be well. For the roadmap part, for the VP level people are all saying the right things. Field staff are not necessarily

aware of what's being marketed. I still hear different "obsolete" HANA terms being used. PR is not just what the marketing team says, every SAP employee is involved in PR. Vijay: Vitaliy, what is the current support pack that HANA has come out with?

49:40 Vitaliy: We have to separate Business PR and technical PR. On the business PR side, HANA went into GA. on the technical side, what we are dealing with it that two weeks after GA, we have another product enhancement. So what is the meaning of getting another Service Pack stack if in the meantime we are getting multiple product revisions. So how is SAP going to define these various product definitions? For the very fact that Forbes and Business Suite blogged about SAP technology shows how far SAP went to get this PR worked out. On the technical PR side, there was not the same effectiveness. In March, SAP announced that there was an independent audit done for HANA performance and some numbers were provided, and there was a true audit report from an independent audit company on how the numbers were measured, and that audit was never released.

Jon: I haven't read everything that Forbes published on HANA, but clarification: one of the recent HANA pieces published by Forbes was a paid article placement on Forbes, in this case by Bob Evans. Originally, this was published on SAP.com. I thought the article was filled with hyperbole. John: You could do a whole podcast on the Advice thing so I'll steer clear of that. For BI 4.0 and HANA, I think they are two different things. XI 3 has been around for a long time and the expectation is for 4.0 to be rock solid. It's important to note there is some emphasis on 4.1 that is projected out for the end of the year, and 4.0 may only be supported for a few months before moving to 4.1.

In HANA, the expectations for the maturity of the HANA release going into GA are going to be much lower. Vijay: I agree with John on that, it's probably not a 100 percent good comparison with BusinessObjects due to the backwards compatibility problems, they had to match all aspects of that. With HANA, there is nothing to look back. Hence, the KPIs are all internal, there is nothing to compare to in the past. At the end of the day, it's a 1.0 product and we shouldn't expect it to behave like ECC 6.0. That may not be easy for customers thinking of buying it, but products need time to mature. Hopefully SAP can apply other product development lessons to HANA. Customers should treat it as a 1.0 product for now.

56:30 John: The average decision maker is not naive enough to think the Forbes piece was not a paid article, and they are not naive enough to think that HANA 1.0 is very mature product release. Jon: Yes, ERP customers are savvy now. They have been through some scrapes and have wisdom. They don't fall for the technology sell as much as they did in the past. When it comes to jumping in, they are going to need a business case. That's a positive trend. It's a combination of falling for the hype and learning your lessons, and customers are much better networked. That's a whole other podcast.

58:30 Rapid fire final word - what you'd like see from SAP on HANA in TechEd session. Vitaliy: I expect Innojam before TechEd will have a HANA theme. Last TechEd when I flew back from Vegas, MI met Mark Finnern in the airport, I said it would be nice to see Innojam based on HANA. All of a sudden HANA picked up, so we should see much more hands-on experience with HANA than we had in the past, including Innojam. Vijay: For me, the one thing I'm looking forward to in the next generation ABAP working with HANA. ABAP integration with HANA is what I'm most excited about. John: They have to get it onto the laptops, it's doable, I know they've had some challenges with it, but if they can get people into the guts of it, it will be a massive success. Jon: TechEd will be interesting to watch this year, because SAP realizes that they need to engage individual developers more than ever in the past to realize their mobility and on-demand vision, as well as HANA.