
Podcast: Talking SAP Business ByDesign Partner Issues - with Tetlow and De Araujo

"A view from the Business ByDesign field with two SAP partners"

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SAP Business ByDesign (and on-demand in general) was not a focal point of the keynotes from TechEd Las Vegas and Bangalore. To get a better sense of where Business ByDesign stands from a field view, I taped this 30 minute podcast with two ByDesign partners, SAP Mentor Leonardo De Araujo of Beyond Technologies and Ray Tetlow of Skytek Corporation. Leo and Ray provided an honest view of the strengths of ByDesign and where improvements are needed to reach its potential.

One thing to note about the discussion is that Leo and Ray bring different backgrounds into the talk. Leo has deep SAP expertise and his firm, Beyond Technologies, has extensive experience with on-premise SAP SME products. Ray's firm Skytek is a pure SaaS consulting firm, built from the ground up to implement SaaS based enterprise products. Few are better at articulating the differences in SaaS consulting models than Ray, so I was really looking forward to this discussion. As I hoped, Leo and Ray were soon driving the talk forward with sharp views on ByDesign and which customers are the best fit for the product currently. They both share what they would like to see in future releases beyond 3.0, as well as their views on where the ByD SDK stands currently and what that means for ByD partners.

This podcast has been added to the JonERP iTunes podcast feed. You can also pick it up via Jon's Master SAP Blog, Podcast and Video feedburner feed.

Podcast Highlights

1:00 Leo: The hands-on TechEd ByD sessions were quite good - I had a chance to play with SDK and see how it evolved from last time. There was also progress with the mobile ByD applications and they were quite easy to build. Like you, I was hoping to hear more about ByDesign at TechEd in general. I realized that ByD was downplayed given the focus of TechEd, but we're really looking ahead to more ByDesign presence at Sapphire next spring.

2:00 Leo: The ByD SDK is still in its early stages. It has made great progress so far, it's quite easy to build and program, but when you consider it, there are important things you need that would make our lives easier. Easier support for debugging would be better for us. You're talking about a scripting language generating ABAP in the background, so we understand the complexity of that, but debugging would be helpful. Ray: An SDK is not that important for us in early stage of SaaS deployment...we used to resell NetSuite, and when NetSuite released their SDK it was very limited. It was only when NetSuite got to a certain level of customers that the SDK was viable. We're selling ByDesign now, and we're waiting on the SDK until it matures and also, just as importantly, when SAP has the amount of ByD customers where the SDK will pay off.

4:20 Ray: As we talk to prospects, Professional Services and Manufacturing are two industries that will be a good fit for ByDesign. In the beginning, we were targeting customers that were too small, less than 20 users. In my opinion it should be 50-100 users and upwards, ByD is definitely a midmarket product. In terms of competition we're coming across NetSuite or Salesforce.com in almost every deal. We've come across some on-premise players, but typically the customer is already looking for a cloud solution.

5:45 Leo: We came on board a bit later, we had a slower rampup and now we are really hitting the market. We know that NetSuite is the competition but it hasn't shown up in our sales cycles yet. In terms of the customer base, we're still trying to figure out: are we going to target bigger customers with more requirements and bigger gaps, or smaller customers with an easier fit. Ray: We're looking customers where the software fits because we feel the SDK is still limited in terms of filling the gaps. We look for larger customers where ByD will be a good fit. It's definitely a midmarket company where it's a natural fit. We also look at customers where the culture is highly departmentalized, if they aren't highly departmentalized, ByD is not going to be a good fit for them.

8:20 Leo: We had a similar situation where we saw some important functionality missing for our team, obviously ByD is in version 3.0 now with more functionality coming soon in 3.5, but the software has a segregation of duties aspect you have to deal with. You may have a person who is just trying to put in a purchase order, but there's a series of approved steps in place, and that could be heavy for a lean, small company. Ray: We looked at ByDesign to run ourselves in Skytek - we're a professional services company more than a product selling company. We couldn't use it because of the way we are structured. We have folks in our account department that span more than one job function. When you start using ByDesign to do that, you're bouncing in and out of work centers. If you look at modern ERP solutions, they tend to be more consumer centric, where the roles can be defined. Again, it goes back to whether ByDesign is a fit for professional services companies. I think it is, if your roles are departmentalized. Leo: We are in the early stages of implementing ByDesign internally here to have our company running on ByD, so I guess three months from now we should take a look and see how it went. Ray: We are probably structured very differently, we're a virtual company spread throughout the United States, and we're structured very flat in our organization.

12:30 Jon to the guys: What does SAP need to do in terms of partner enablement to hit ambitious goals down the road, brand awareness, functionality, performance improvement. Ray: From the moment you sign a contract as a ByD partner, it puts the partner very liable for some annuity based scenarios. Partner enablement is very slow. If you want to train a consultant up, it's a three to four month process. This we haven't seen in other SaaS solutions. Usually it's a matter of weeks. That is very concerning because that doesn't lend itself to scaling very quickly. If we landed 20 deals, we would have a big problem on our hands in terms of ramping up the people for the deals. So we have to scale our sales down and focus on the high value customers. Leo: on the contractual points, we went over that too. With the timing on the enablement, we were slow on our side, there are a lot of courses and sessions we were happy with but on our side we slow.

15:45 Ray: We were partners with a number of other SaaS vendors prior to ByDesign. We only deal with on-demand technology from all perspectives, including product selection and deployment. I'm not saying SAP would order a partner to do that, but it's something that needs correction, the whole process needs grossly simplifying, from partner sign up to enablement. Jon to Leo: What do you need from SAP to move the on-demand along with on-premise. Leo: Overall, we need to target the ByD market stronger. Two things that would help us: one would be to get more functionality faster, make tweaking the system easier, and that would mean easier access to the SDK. I was in the sessions of SDK co-presenting on TechEd, and I don't have access to it. There will be points where the software doesn't fit, and how will we handle that. Ray: we've had some limited access to the SDK but it's not very consistent, the tenants keep changing all the time. It's not a bad thing that you can't customize right now, the real focus needs to be on vanilla customers where there is a good fit.

19:55 Leo to Jon: In terms of concrete functionality we were looking for: for me, one thing that would solve a lot of problems would be a real workflow engine on top of ByD to set up processes that fit how the customer really works. Customers do have to adapt sometimes, but there are things that could be simplified and automated. But if there was a workflow engine sitting on top of the ByD, that would make things a lot easier. Ray: agreed, it's crying out for a workflow engine, it's even more paramount with software as a service. Leo: Any ERP system needs a decent workflow engine. Ray: SAP really needs to address performance, we get complaints from customers as well as internally. Look at how companies are using the system and simplify the processes.

23:25 Jon to the guys: what have you been thinking about for your firm in terms of upskilling? Ray: We have one consultant on many projects, you have to have that model baked in, because typically you are doing them remotely. You will lose money if you try to do these on-site. if it's CRM, we look at Salesforce, if it's ERP, we look at NetSuite, then we send them to ByD training. But it does take them a long time to do training. It's very costly to send people to training in advance of anticipated sales, so you have to slow down sales or put major investment in sales. Leo: Ray nailed it - ideally you have ERP SaaS experience prior to ByDesign. We look at three possibilities: one is looking at people coming from SAP ERP and becoming a ByDesign professional, I don't see how that can work as it's a completely different way of working and serving customers. The second group of people is looking at ex-B1 person, that's a better fit but they still suffer from the on-premise bias. Ideally you have someone with wall to wall ERP business process knowledge that understands the SaaS approach and on-demand way of thinking. Ray: That's the only real option that has worked for us. It may seem like all we're doing is implementing software but SaaS is a whole different ball game.