

Mercedes-Benz Takes a Smooth Ride to ERP 6.0



Company

Mercedes-Benz USA, headquartered in Montvale, New Jersey, is a subsidiary of Daimler AG. Globally, Daimler AG runs more than 160 SAP applications worldwide. As an automotive wholesaler that sold more than 225,000 vehicles in 2008, Mercedes-Benz USA relies on SAP to power its core financials and logistics systems, as well as its financial services division.

The Challenge

As the manager for SAP Regional Support for Mercedes-Benz USA, Sanjeev Sharma's team was at a crossroads. If they stayed on 4.6C, they would soon fall behind on SAP maintenance. Their application environment had grown increasingly complex – something they could simplify once they were on SAP's ERP 6.0 NetWeaver architecture. "We wanted to be completely web-enabled instead of using the old ITS infrastructure," says Sharma. "With the 4.5/4.6C versions of SAP, we had so many applications around SAP that it made for a complex application environment."

But unlike previous upgrades that utilized outside service providers, there was a new challenge this time: Sharma planned to handle this upgrade totally in-house. There was no margin for error: he needed to ensure an efficient upgrade process to avoid overtaxing either his development or functional team members.

The Solution

When Sharma found out about Panaya, it looked like a perfect fit, perhaps too perfect: Panaya seemed to address all the key pain points his team had grappled with during previous upgrades. "When I saw the first demo of what Panaya had to offer, it was hard to believe, I will tell you that for sure," says Sharma. "It did seem too good to be true."

During his evaluation of Panaya, Sharma was impressed by Panaya's ability to streamline the testing cycle by identifying application and interface problems - without having to manually test all code. "In past upgrades, we were in the dark on what needed to be adjusted," recalls Sharma. "We had to ask the developers to go back and review everything. I could see that using Panaya's tool, we could be very specific and tell the development team, 'you only have to review ten or fifteen percent of our development work.'"

Having analyzed (and used) many different upgrade tools, Sharma selected Panaya's upgrade solution to drive the upgrade, including planning, development, and testing. The project would be managed via Panaya's web-based interface – all project team members would update their tasks "in the cloud."

Implementation

Because there was no on-premise software to install, using Panaya required no dramatic implementation steps – just a schedule for sharing code with Panaya and getting results back. Panaya's results highlighted the next

Upgrade Synopsis

- Mercedes-Benz USA: subsidiary of Daimler AG
- Upgrade from 4.6C to ERP 6.0
- Modules upgraded: FI, SD, MM, CO, AM

Upgrade Benefits

- 50% less testing, development, and planning
- 90% fewer issues to resolve
- Reduced testing cycles from 3 to 1
- Significant project management time savings
- On time and on budget
- Go live with zero issues

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problem areas for Sharma's team to address. Training Mercedes-Benz users on Panaya's online system took less than an hour. "Using the tool and getting the information processed by Panaya was not a challenge," says Sharma. "We were supported well. Every time we uploaded an update, it took no more than two days to see the new simulation."

Sharma was expecting Panaya to help him reduce development and testing times. What he was not expecting was Panaya's impact on project management. "I saved my project manager's work in the initial phases of the project significantly," says Sharma.

The greatest project management benefit? Being able to manage everything from within Panaya's web-based interface. "One, you could actually use the tool itself to assign, record, and report tasks. That in itself was a huge benefit. We leveraged Panaya to provide every update, and all the reporting was done from within it," says Sharma. "The one excuse I never had to hear in any of our upgrade meetings was that 'I couldn't do the update because the spreadsheet was locked.' Everyone was logging onto Panaya and doing their own updates; no one had to wait; this was a clear gain."

Results

Compared to past upgrades, Panaya's solution saved Sharma's team fifty percent of their time during the development and testing phases. How was this possible? Using Panaya's solution, Sharma was able to focus his development team on the important problems that would most impact their upgrade and address them prior to the unit testing phase. This approach saved a significant amount of manual "shot in the dark" code testing. In a past upgrade, Sharma used an offshore service with ten full time developers. Because he was able to use Panaya to focus development efforts on areas that truly needed fixing, Sharma used only three internal developers on this upgrade project, and two of those were part-timers.

Because of the success of the development phase, the testing phase went much more smoothly: unit testing was reduced to just one iterative cycle, down from as much as three testing cycles in previous upgrades. "By the time we got to unit testing, we had already addressed the high level issues during the development phase," says Sharma. "Eighty to ninety percent of our potential problems were already taken care of with the help of Panaya's tool."

Freed from vexing testing problems and "gotchas", the Mercedes-Benz USA upgrade came in on time and under budget. There was one more great result: Sanjeev Sharma won a bet with his boss that there would not be any problems during this upgrade. He wins: a free lunch.

Advice

Sharma's biggest piece of upgrade advice for other SAP users: try Panaya. "I can tell you this for sure, and I've been giving this advice inside of Daimler already: use Panaya's tool! It will tell you exactly where inside your system you need to put your effort behind," says Sharma. He doesn't know of another solution that offers this kind of value to the upgrade process. "I've compared it to other tools," Sharma continues. "Panaya's tool is so handy, and the user interface is so flexible, you can really get a lot out of it. I've had three questions about Panaya in the Daimler world so far, and I've told everyone who has asked me, 'Guys, it's worth it.'"

About Panaya:

Panaya's Software-as-a-Service solutions enable companies that use SAP to save up to 50% of their application lifecycle costs and minimize the risks associated with system changes. Utilizing cloud-based simulation to analyze the impact of pending changes, Panaya automatically pinpoints which custom programs will break as a result of an upgrade or support package implementation. Panaya provides a complete solution for managing these changes, explaining how to fix the anticipated issues, suggesting the most efficient test plan, and calculating required project budget and resources. For further information visit the Panaya web site at www.panayainc.com