

Press Release

SAP Partners Say Business ByDesign has Service Opportunities

Needham, MA--SearchITChannel.com—December 14, 2007--SAP partners see service opportunities in Business ByDesign, SAP's new Software as a Service (SaaS) offering, despite the company's plan to use partners solely as resellers.

SAP announced Business ByDesign in September, and company executives confirmed last week that SAP partners will only be able to sell the service -- not host it or provide additional services. But SAP partners who are part of the Business ByDesign channel program said this week that they're finding some immediate services opportunities, and they expect more as SAP gives partners more independence.

"It's not like you just sell it and go on," said Scott McMahon, managing director for San Francisco-based [Apollo Consulting](http://www.apollocon.com) (www.apollocon.com). "There's a lot of value-added work you can provide."

[Apollo Consulting](http://www.apollocon.com) and SAP are conducting a case study at a customer site. Even though Business ByDesign is a SaaS offering that users can configure themselves through a Web interface, [Apollo Consulting](http://www.apollocon.com) has still had to make sure the service is properly tied into the customer's existing systems, McMahon said -- including human resources, payroll, finance, sales, customer relationship management (CRM) and supply chain management.

SAP said it will take the lead on initial Business ByDesign sales and deployments with partners following along to learn the ins and outs. When partners meet specific sales goals, they will be allowed to take the lead themselves.

"It's the best way, because SAP doesn't want any negative press on this," McMahon said. "They only want to have success after success after success, and the best way to do that is to control it ... It's a very innovative approach, so I'm happy that SAP is taking the reins on it."

SAP had left some customers and partners wondering when it would finally get into SaaS and why it hadn't already. But that methodical approach to Business ByDesign should pay off, because it allowed SAP to survey the market and better address customers' needs, said Forrest Koch, CEO of Omega Business Solutions, an SAP partner in Beaverton, Ore.

"They're real, real steady in what they do," Koch said. "I really like the way they're doing this."

SAP's target audience for Business ByDesign is customers with 50 to 500 employees. A lot of businesses and organizations that size run departmental databases that don't effectively communicate with each other, so SAP partners can help those customers

with business process engineering and enterprise resource planning (ERP) while deploying Business ByDesign, Koch said.

SAP's Business One targets small businesses, and Business All-in-One is aimed at larger mid-sized companies. There is some overlap with the Business ByDesign customer base, but for the most part, "it opens up a whole new market that's not really well tapped at this point by SAP," said Steve Niesman, U.S. CEO and president of itelligence Inc., an SAP partner based in Cincinnati, Ohio. The shorter implementation time for Business ByDesign -- a few weeks, compared to two or three months for All-in-One -- will also help SAP and partners reach more customers, Niesman said.

"It's more of a volume business," he said. "It's going to expand our business and open up some new ways of doing things."

Although All-in-One and Business ByDesign target some of the same customers, Niesman said they will not compete with each other. All-in-One is for businesses that need a "robust" system to manage complicated industry-specific processes, while Business ByDesign offers a hosted, easily configurable solution, he said.

Niesman agreed that it makes sense for SAP to lead the sales and implementation process early on, but he also said that SAP will eventually have to rely on partners if it wants Business ByDesign to reach a mass audience.

"We'll be out on our own quickly," he said.

As Business ByDesign makes progress in the market, Koch said he expects that SAP will give partners more freedom during the implementation process.

"Although Business ByDesign is not customizable today, in a short time it will be," he said.

McMahon said he's happy that SAP alone is hosting Business ByDesign, "because that's not our expertise," but that may not end up being the only model.

"In the future they may create models where you're a hosting partner," he said.

About [Apollo Consulting](#)

[Apollo Consulting](#), LLC was founded in 1997 with the goal of helping companies achieve their business objectives through the successful purchase, implementation, training and support of application software. With offices throughout North and South America, we have a strong team of experienced consultants that are dedicated to SAP(R) Business One. Our knowledge in accounting, technology and specialized industries combined with hands on real world situation experience will provide customers with world class service for small to mid-sized businesses.

Additional information can be found at <http://www.apollocon.com>

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