SAP SAVVY

There's still time to jump on the R/3 bandwagon

by David Jacobson

THERE'S NO TIME LIKE THE PRESENT TO STUDY SAP.

Not since IBM's IMS database burst onto the scene 10 years ago has a software package generated such interest. In the past 18 months, the market for SAP America, Inc.'s R/3 client/server tool has spawned an unmatchable demand for specialists who understand this complex technology.

The lucrative opportunity extends to consultants, technical analysts and developers and is likely to continue for at least two or three years, given projected expansion in Fortune 1,000 companies.

"About half of the Fortune 500 companies are either planning to convert to R/3 systems or have already started converting, and there are currently only about 3,000 experienced consultants in the U.S.,” says Jorgen Sattler, chief executive officer of NSDL's U.S. operations in Chadds Ford, Pa., a consulting firm that offers training in R/3.

Observers note that on-staff programmers with modest R/3 experience can earn upwards of $100,000 a year. SAP-certified R/3 specialists routinely command a 10% to 20% premium over consultants with comparable experience in other fields, says Frank Doneleone, director of technical and data architecture at Packaging Corp. of America in Evanton, Ill.

There's more good news. While R/3 specialists often possess backgrounds in Unix, networks or databases, nontechnicians with solid understanding of a specific business process, such as manufacturing or accounting, also have ready access to the field. SAP-certified professionals with two to five years of experience in sales and distribution, manufacturing, operations, management or accounts are suitable candidates for consulting work.

"The customer will likely have several activities, such as migration and re-engineering, going on at once and will want implementation as quickly as possible. This is why the business knowledge is so important," says Ron York, a principal in charge of strategic technology consulting at Electronic Data Systems Corp. in Plano, Texas. The consulting firm trains clients in implementing R/3 and began its own implementation six months ago.

"If I were on the technical side, I'd learn objects, client/server and business strategy," says John Donovan, chairman of Cambridge Technology Group.

His company expects to hire and train 90 people to become SAP practitioners.

Information systems organizations planning to implement R/3 often discover they need a new methodology, largely because of the dual pressures of a fast-track rollout and the need to reorient business operations to accommodate the application's strengths.

The fast pace, coupled with the need to grasp how an application can impact the entire enterprise, makes many traditional IS implementation methodologies obsolete.

"Some people view R/3 as an application,” says John Donovan, chairman of Cambridge Technology Group, Inc. in Cambridge, Mass., one of 25 consulting firms that has partnered with SAP to offer training, project management and implementation in R/3. “It's not an application. It's an infrastructure.”

Cambridge Technology will offer R/3 seminars to some 10,000 senior managers this year, furtherwhetting demand for practitioners. But the company will hire only 90 practitioners and expects to train all of them from scratch. "If I were on the technical side, I'd learn objects, client/server and business strategy," Donovan says.

BACK TO THE FUTURE

"Ninety percent of users have consultants helping them," says Karl Newkirk, a partner in charge of SAP practice in the Americas at Andersen Consulting in Cleveland, noting that outsourcing is also growing. "Ten percent to 20% of our customers will be outsourcing by next year, but consultants will have no trouble finding work."

While observers predict that supply will soon meet demand, the planned expansion of R/3 to additional platforms and markets should mean that those with expertise won’t search long for work. SAP plans to provide support for smaller workstations and possibly laptops later this year, says Alex Ott, vice president of strategic partnerships at SAP in Philadelphia.

"Learning more about business applications and thinking in a more integrated nature will help in any path," Sattler says. "Plus, R/4 will be coming around in the next five years or so."

"Anyone with a good educational background who knows the business processes and who has been in the industry long enough to learn the business or technical skills necessary can come on down," Newkirk says. "We always need another good person."