Quick Answer: How to Use Agile Product Delivery for ERP

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A growing number of software engineering leaders are asking how they can apply the agile product delivery methods utilized by custom software teams for ERP initiatives. Here are the three key practices.

Quick Answer

How can I use agile product delivery for ERP?

- Use agile product delivery to implement, incrementally, the end-to-end business processes (or workflows) that make up an ERP application.
- Assign product managers to orchestrate the complex virtual workflows that may span ERP, CRM, procurement and other applications.
- Drive value realization for the internal customer by coordinating backlogs across the Scrum teams that support the most critical priorities.

More Detail

Incrementally Implement ERP Business Processes and Workflows Using Agile Product Delivery

The 2020 Gartner Understanding Adoption and Impact of Key Attributes of Product Management Survey indicates 82% of product leaders agree their products are aligned to business capabilities. If SaaS applications are not the products leaders want a product manager to manage, then what are the products? The answer is workflows or end-to-end business processes.
In an increasingly complex ecosystem of vertical industry specialist software and ERP applications, product workflows are delivered through the integration and output of multiple application technology platforms. For example, organizations may need to get better supplier management capabilities and get more visibility and control of discretionary spend. They would accomplish this through the integration of a procurement solution, such as SAP Ariba, with an ERP solution, such as SAP S/4HANA, through the procure-to-pay workflow. In effect, this composes a virtual workflow by integrating the workflows of two underlying platforms. These workflows may be initiated during the core ERP implementation cycle, or they may be part of a continuous improvement cycle as part of postimplementation support.

As demonstrated in Figure 1, the two underlying platforms, SAP Ariba and SAP S/4HANA, provide the composite virtual workflow, procure-to-pay, which is managed as a product. The delivery and improvement of workflows requires development of APIs, integrations and extensions by software development teams.

**Figure 1. Multiplatform Product Example**

![Multiplatform Product Example Diagram](image-url)
Assign Product Managers to Orchestrate the Complex Virtual Workflows

The simple example in Figure 1 integrates two workflows from two different underlying SaaS platforms. In a more complex example, which is typical of inquiries we get regularly, workflows may span ERP, CRM, manufacturing, warehousing, transportation and other applications. The example in Figure 2 illustrates this.

**Figure 2. Order-to-Cash High-Level Process Flow**

This example is typical of how many manufacturing organizations manage the order-to-cash workflow. The virtual order-to-cash product moves across capabilities provided by all five underlying platforms, together composing the virtual workflow. The product manager orchestrates the backlogs across the underlying platform support Scrum teams in concert with product owners (operating the part of the process within a single technology platform) to deliver value to the stakeholders.

The product owners may enlist software engineering teams to identify security methods and mechanisms to ensure compliance with good security practices and mitigate risk of noncompliance with audit and regulatory controls. Product owners will also have software engineering teams evaluate the capabilities of ERP application platforms as the ERP vendors roll out low/no-code extension capabilities.
Drive Value Realization for the Internal Customer

Internal support for ERP should have product managers managing end-to-end business processes for stakeholder value. These workflows are the actual workflows used in the business, which may transit across multiple underlying platforms.

When opportunities arise for upgrades or updates, the product manager engages with stakeholders to assess the software change's business value impact. This product management strategy is focused on continuous inspection for value and continuous delivery of value to stakeholders.

The product owner and Scrum team support this strategy with automated testing, cross-domain integration and extension development for process differentiation. The tools used under the guidance of the software engineering leader may not be ERP-specific tools, as many SaaS vendors no longer allow customization but rather extension via the platform. This allows an enterprise to use its own tools for extension via APIs if that path is chosen. Integration of DevOps tools with the vendors’ implementation tool suites can significantly accelerate the deployment of these virtual workflow products and the delivery of value to all stakeholders.

Recommended by the Authors

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Overcome Objections and Sell the Benefits of Moving From Projects to Products and Agile

Evidence

The 2019 Gartner Agile in the Enterprise survey shows 53% of enterprises plan to use agile practices to implement enterprise applications like ERP. Seventy percent of product managers view their way of working as synonymous with agile.

Gartner analysts have fielded 392 inquiries on agile practices applied to ERP between August 2020 and August 2021.

The 2020 Gartner Understanding Adoption and Impact of Key Attributes of Product Management Survey was conducted online between June and August 2020. We surveyed 440 digital product team leaders and product members globally from all industries and functions across product consumer types.