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Reducing IT Sprawl with SAP Solutions

A strategic blueprint for IT leaders

Introduction

IT sprawl is a direct byproduct of dynamic business growth, acquisitions, and the adaptive strategies required to compete in complex markets. For technology leaders, this proliferation of disparate systems -- whether through cloud adoption, legacy debt, or organic tool growth -- has significant operational, risk, and financial implications.

This e-book goes beyond foundational narratives. Here, we engage with the nuanced challenges of enterprise architects, CIOs, and IT strategists tasked with aligning technology with business imperatives. Drawing on SAP's ecosystem and customer outcomes, we present actionable frameworks and critical insights for rationalizing IT portfolios, advancing automation, and enabling sustainable innovation.

Understanding IT sprawl in the modern enterprise

Defining the challenge

Experienced IT leaders recognize IT sprawl as an inevitable result of decentralized decision-making, shadow IT, and a fast-evolving vendor landscape. It manifests as redundant platforms, siloed data, integration gaps, and increasing technical debt.

Contributing factors

- **Heterogeneous application landscapes:** Inorganic growth and best-of-breed purchasing leave organizations with parallel applications supporting overlapping business functions.

- **Cloud & SaaS multiplication**: The democratization of cloud and SaaS procurement has driven fragmentation, with line of business units deploying ungoverned solutions.

- **Legacy infrastructure & deferred modernization**: Legacy systems, while often stabilized, now hinder business agility and integration initiatives.

Enterprise implications

The strategic challenge is not only operational complexity or inflated cost structures -- it is the systematic constraint on innovation, risk posture, and the ability to deliver cohesive digital experiences.

Insight: In advanced IT environments, maintaining service delivery standards amidst growing fragmentation increasingly strains existing governance and resource models.

Quantifying the impact
Operational and strategic considerations

Beyond cost:
Strategic risk and value creation

While expenditures associated with redundancies are measurable, the latent costs -- reduced operational agility, hindered data-driven decision-making, and security vulnerabilities -- are far more consequential.

Value at risk

Operational inefficiency: Fragmented workflows impede business process optimization and introduce unnecessary manual intervention.

Data incoherence: Siloed analytics platforms restrict the ability to deliver timely, actionable intelligence at the enterprise level.

Security surface expansion: Unmanaged endpoints and shadow applications expand the threat landscape, challenging even robust security operations.

Advancing the business case

Sophisticated IT organizations should develop a business case that not only captures cost reduction potential but also quantifies risk mitigation, productivity gains, and improved time-to-value for new initiatives.

SAP solutions as a foundation for consolidation

A unified digital core

SAP Cloud ERP and Business Technology Platform (BTP) are architected for high-complexity environments, allowing IT leaders to consolidate, standardize, and orchestrate enterprise applications at scale.

Key architectural levers

- **Core standardization**: SAP Cloud ERP provides a central transactional backbone, harmonizing processes and data.

- **API-first integration**: SAP BTP enables integration of legacy systems and third-party applications through open standards, reducing onboarding friction and integration overhead.

- **Extensibility and modularity:** A composable approach allows selective modernization -- targeted legacy decommissioning, cloud-first innovation, and future-proofing through iterative migration.

- E**mbedded analytics & automation**: SAP's embedded analytics, AI, and RPA capabilities facilitate data unification and intelligent automation without the need for extensive bolt-on solutions.

Security and compliance

Enterprise-grade security, regulatory alignment, and continuous compliance are foundational, not optional, within the platform's architecture.

Real-world consolidation: SAP customer outcomes

Case 1: Systems rationalization in distribution

A global distributor executed a phased migration, decommissioning three disparate ERP systems in favor of SAP Cloud ERP. The outcome: a standardized order-to-cash cycle, reduced licensing complexity, and unified reporting -- directly impacting gross margin and agility.

Case 2: Real-time analytics at scale

A retail enterprise transitioned fragmented BI platforms to SAP Analytics Cloud. The result was not just increased accuracy in forecasting, but also a measurable reduction in decision latency across merchandising and supply chain functions.

Case 3: API-driven innovation

A manufacturing firm utilized SAP BTP to securely integrate third-party logistics and e-commerce platforms, accelerating go-to-market for new digital offerings, while maintaining core system integrity.

Key learning: Successful SAP consolidations are defined by governance discipline, clear migration roadmaps, and measurable business value.

Framework for streamlined transition

Comprehensive landscape assessment

- Inventory all enterprise applications, integrations, and data flows.

- Prioritize candidates for decommissioning based on technical debt, business criticality, and integration complexity.

Transformation planning

- Develop a phased roadmap -- balancing quick wins (e.g., shadow IT retirement) against long-term strategic objectives.

- Align IT consolidation trajectories with business transformation goals, regulatory requirements, and risk tolerance.

Execution & change management

- Leverage SAP's fit-to-standard accelerators for implementation.

- Establish robust governance and stakeholder communication to minimize resistance and ensure business continuity.

Continuous optimization

- Embed KPIs for system utilization, process efficiency, and user adoption.

- Iterate with semi-annual platform updates, leveraging SAP's lifecycle management tools for sustained value.

Navigating organizational and technical complexity

Stakeholder alignment

Savvy IT leaders know change is as much about people and process as it is about technology. Securing executive advocacy, fostering cross-functional involvement, and communicating business value are prerequisites for success.

Managing transition risk

- **Migration strategy:** Opt for hybrid coexistence or "big bang" cutovers based on risk and organizational appetite.

- **Data migration precision**: Ensure robust data governance, test automation, and validation processes.

- **Readiness & enablement:** Invest early in enablement resources for both IT and business end-users, leveraging SAP and partner expertise.

Future-proofing IT landscapes

With IT consolidation, the mandate extends beyond operational gains. Enterprise IT must architect for agility, continuous compliance, and rapid scaling, anticipating the next wave of business requirements and technology innovations.

Sustainable Innovation

SAP's extensible platform strategy -- incorporating AI, integration services, and modular updates -- supports ongoing business transformation without recurring re-platforming costs.

Next Steps

Reducing IT sprawl is fundamentally a leadership challenge. For experienced IT professionals, the opportunity is to shift the technology function from operational bottleneck to business accelerator.

Leverage SAP's robust portfolio and partner ecosystem for a disciplined, strategic approach to IT consolidation. Ground every move with measurable business value, continuous optimization, and forward-looking architecture. Drive clarity. Enable growth. Position your business for sustained leadership.

For an in-depth dialogue or to align SAP solutions with your unique enterprise roadmap, connect with one of our experts at NTT DATA Business Solutions.

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We Transform. SAP® Solutions into Value

We understand the business of our clients and know what it takes to transform it into the future.
At NTT DATA Business Solutions, we drive innovation - from advisory and implementation, to managed services and beyond, we continuously improve SAP solutions and technology to make

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