DEALCRAFT ADVISORY

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From Pain to Price

Why SAP estimates fail where scope, assumptions and responsibilities meet, and how to trace every line of a price back to the problem the client is paying to solve. With a worked case from airline revenue.

PAIN | OUTCOME | SCOPE | ASSUMPTIONS | RACI | ESTIMATE

Written for SAP bid teams, solution architects and delivery leads, and for the CFOs, CIOs and procurement teams who evaluate their prices.

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EXECUTIVE SUMMARY

An estimate is the price of solving a problem

Most SAP estimates are built from the software outwards: modules, objects, interfaces, days. The client buys from the problem inwards. When the two don't meet, the estimate is cut in evaluation and overrun in delivery.

This paper argues that a defensible estimate is a chain with six links: the client's **pain**, the **outcome** that removes it, the **scope** that delivers the outcome, the **assumptions** the scope rests on, the **responsibilities** (RACI) those assumptions create, and the **estimate** that prices all of it, including the client's own effort. Break any link and the number stops meaning anything.

We follow one case through every chapter: an international airline group whose subsidiaries and associated companies still report revenue to the group in spreadsheets and emailed notes. The group wants control over how those entities report, without managing them. It is a common situation, and a precise test of whether an estimate serves the pain or just the software.

8%

of completed S/4HANA migrations in Horváth's study finished on schedule

Horváth via CIO.com, Mar 2025[1]

>6 in 10

exceeded the planned budget

Horváth via CIO.com, Mar 2025[1]

23%

cited limited knowledge of third-party systems and interfaces as a top challenge

Horváth via CIO.com, Mar 2025[1]

THE SHORT VERSION

Start with the pain, in the client's words, and turn it into an outcome you can measure. Every scope item should point back to it.

Treat every assumption as transferred risk. If it has no owner, no date and no consequence, it is a hope, not an assumption.

The RACI is half the estimate. Price the client's effort as carefully as your own; it is where most overruns start.

Two prices 10% apart are often two different splits of responsibility, not two different efficiencies. Buyers should compare the RACI before the rate card.

WHY IT MATTERS

Estimates fail at the joins, not in the sums

Horváth's study of 200 SAP user companies found projects ran 30% longer than planned on average, only 8% of completed migrations finished on schedule, and more than six in ten exceeded budget. Its study director put many of the problems down to flawed project set-up, where complexity and resource needs were underestimated and the organisation's own capacity was overestimated.[1] The top challenges named were a lack of IT integration perspective (28%), insufficiently defined processes (24%) and limited knowledge of third-party systems and interfaces (23%).[1]

None of those is an arithmetic error. Each is a broken join: between the problem and the scope, between the scope and what was assumed, between what was assumed and who was supposed to do it. That is why a second pass over the rate card rarely saves an estimate, and a second look at the assumptions often does.

The pressure is rising. SAP's mainstream maintenance for ECC ends in 2027, with optional extended maintenance to 2030,[2] so many organisations are buying at once, from the same integrators, under the same deadlines.

The chain

1	2	3	4	5	6	7
PAIN	**OUTCOME**	**SCOPE**	**ASSUMPTIONS**	**RACI**	**ESTIMATE**	**CONTRACT**
What hurts today, in the client's words	A measurable state that removes it	Counted things that deliver the outcome	What must be true for scope to hold	Who does each thing the assumptions require	Price for all of it, both sides' effort	What changes the price when a link breaks

Read it left to right when building a bid and right to left when evaluating one. Any line of the estimate that cannot be traced back to the pain is either cost the client doesn't value, or value the bid hasn't explained.

> **WHERE OUR OTHER PAPERS FIT**
>
> **Draw the Line** covers scope boundaries in depth; **The Scope Multiplier** covers counting; **How Many Data Runs** covers one critical line; **The Estimate Changes** covers AI and partner tools. This paper ties them together around the client's problem.

LINKS 1 AND 2: PAIN AND OUTCOME

The case: an airline group's revenue

THE CASE (ANONYMISED, NUMBERS ILLUSTRATIVE)

An international airline group runs its airline on SAP. Around it sit subsidiaries and associated companies: some fully owned, some partly owned, several not managed by the group at all. Their revenue reaches group finance as spreadsheets and emailed notes. Reconciling it is manual, late and hard to challenge.

The group's finance leadership put the pain simply: **they want more control over how the subsidiaries report, even though they do not manage them.**

Why airline revenue is hard to begin with. In SAP's own description of the current model, ticket data flows from the passenger service system through a separate passenger revenue accounting (PRA) system, which matches and prorates sales and flown data before aggregated results reach the general ledger in batch files. The ERP cannot see individual bookings, and profitability is mostly visible by flight, not by customer or service.[3] Specialist PRA products, such as Accelya Revenue Accounting, sit in that middle layer for many carriers.[6]

Where SAP is taking it. For airlines moving to IATA's order-based model, SAP positions Order Accounting in the ERP, built on SAP Billing and Revenue Innovation Management (BRIM) on S/4HANA, with SAP BTP turning order and service-delivery messages into billable items for invoicing, revenue recognition and posting.[3,4] SAP BRIM is listed on IATA's airline retailing registry for order accounting, revenue recognition on order status changes and payment settlement.[5]

Where the subsidiaries fit. None of that reaches the entities the group doesn't run. For them, the relevant SAP capabilities sit in the group close: S/4HANA Finance for group reporting, with data collection templates and automated loading from non-SAP systems,[7] and Intercompany Matching and Reconciliation, which matches intercompany items line by line and manages differences as reconciliation cases.[8] SAP also sells BlackLine's close and intercompany products as part of its record-to-report suite.[9]

From pain to outcome

PAIN AS STATED	OUTCOME THAT REMOVES IT (MEASURABLE)
Subsidiary revenue arrives in spreadsheets and notes	Every reporting entity submits through one governed template or feed, with validations, by a fixed working day
Reconciliation is manual and late	Intercompany revenue is matched automatically; differences become tracked cases with an owner on each side
Little control over entities the group doesn't manage	A signed submission calendar and data standard for each entity; group sign-off visible in one place

Outcomes are illustrative. In a real bid they are agreed with the client before scope is written, and become the acceptance criteria.

LINK 3: SCOPE

Scope that serves the pain, counted

A software-out bid for this group would lead with the airline's revenue platform: order accounting, BRIM configuration, PRA integration. All valuable, and none of it touches the spreadsheets coming from the subsidiaries. A pain-in bid asks which scope removes the stated pain first, and counts it.

SCOPE BLOCK	COUNTED AS (ILLUSTRATIVE)	SERVES WHICH OUTCOME	PHASE
Group data collection	22 reporting entities: 8 on SAP (automated load), 14 non-SAP (template submission); 3 templates	One governed submission route	1
Intercompany matching	6 matching methods; 4 reconciliation cases; 22 entity pairs in scope	Automatic matching, tracked differences	1
Close governance	1 group close calendar; 22 entity task lists; sign-off workflow	Control without management	1
Entity onboarding	14 non-SAP entities × onboarding session, test submission, 2 parallel months	All three	1
PRA to ledger integration	1 PRA system; daily summary feed; 3 posting scenarios	Faster, cleaner airline revenue	2
Order accounting (BRIM)	Order and service-delivery messages; billable item types to be counted with the order platform	Customer- and service-level revenue	2+

The phasing is the point. Phase 1 removes the pain the client named. Phase 2 modernises the airline revenue platform the client will need next. A bid that leads with phase 2 may be technically stronger and still lose, because the evaluator cannot see their problem in it.

> **THE SCOPE TEST**
>
> For every scope block, can you say which outcome it serves and how it will be counted? If not, it is either missing from the outcomes or shouldn't be in phase 1.

LINK 4: ASSUMPTIONS

Every assumption hands risk to someone

An assumption is a statement that, if false, changes the price or the plan. That makes every assumption a transfer of risk: to the client, to a third party or back to the bidder. The weak version hides who carries it; the owned version says so.

WEAK (HIDES THE RISK)	OWNED (NAMES IT)
Subsidiaries will provide data in the agreed format.	The 14 non-SAP entities submit monthly revenue through the group template by working day 3. Each has a named finance owner. Template build and two onboarding sessions per entity are in our scope; chasing late submissions is group finance's.
Intercompany data is of sufficient quality.	Partner identifiers exist on intercompany revenue in all 8 SAP entities. If fewer than 90% of items carry them in the first test, cleansing is priced as a change.
The PRA vendor will support integration.	The PRA vendor provides a documented daily summary file and a test environment by week 6, under the group's contract with them. Delay moves phase 2 day for day.
Client resources will be available as required.	Group finance provides one reconciliation lead at 60% and one close manager at 40% from mobilisation to second parallel month.
Business rules will be confirmed in design.	Matching tolerances and dispute rules are signed off by the group controller by the end of design; later changes follow change control.

Each owned assumption passes the same six-point test:

- ☐ 01 **Specific:** it names the thing, the number or the format.
- ☐ 02 **Owned:** a named role is responsible for making it true.
- ☐ 03 **Dated:** it says by when.
- ☐ 04 **Testable:** someone can tell, early, whether it holds.
- ☐ 05 **Consequence stated:** it says what happens to price or plan if it fails.
- ☐ 06 **In the RACI and the estimate:** the work it implies appears in both.

LINK 5: RESPONSIBILITIES

The RACI is half the estimate

Most bids estimate their own people carefully and the client's in one sentence. Yet Horváth found that organisations' own capacity was routinely overestimated.[1] Every owned assumption on the previous page implies work, and the RACI shows whose. In the airline case, much of the work that removes the pain sits outside the integrator.

	GROUP FINANCE	SUBSIDIARY FINANCE	PRA VENDOR	INTEGRATOR
Design submission templates and rules	A	C	I	R
Agree data standard and calendar with each entity	A/R	R	–	C
Onboard and train entity users	A	C	–	R
Submit monthly revenue on time	I	A/R	–	–
Chase late or invalid submissions	A/R	R	–	–
Configure matching and reconciliation cases	A	I	–	R
Resolve intercompany differences	A	R	–	C
Deliver PRA summary feed and test data	A	–	R	C
Sign off the group close	A/R	C	–	I

R responsible · A accountable · C consulted · I informed. Illustrative.

Estimate the client side too

CLIENT EFFORT THE BID SHOULD SHOW (ILLUSTRATIVE, YEAR ONE)	PERSON-DAYS
Group finance: design input, rules, sign-offs, parallel runs	140
14 entities × onboarding, test submissions, two parallel months (about 8 days each)	112
Group finance: chasing and resolving differences during parallel months	60
PRA vendor and group IT: feed build and testing (phase 2)	45
Client and third-party effort a supplier-only estimate would leave out	**357**

None of this is a cost the integrator should charge for. All of it is a cost the client will pay, in time if not in money. Showing it is what makes the integrator's own number believable.

LINK 6: THE ESTIMATE

Two prices, two splits of responsibility

Suppose two integrators bid for phase 1. On paper, one is 14% cheaper. Read through the RACI, they are different offers.

	BID A	BID B
Integrator price (illustrative)	€1.45M	€1.25M
Entity onboarding	Integrator runs onboarding for all 14 entities	“Subsidiaries will be onboarded by the client”
Parallel months	Two, supported	One, client-led
Matching rules	Designed and tuned through parallel months	Configured to rules supplied by the client
Client effort shown	357 person-days, by role	Not stated
What the client actually buys	The outcome	The software, and the pain stays with group finance

Bid B may be the right choice for a group with a strong finance team and spare capacity. It is the wrong choice for a group whose pain is precisely that it cannot get the subsidiaries to report. The evaluator can only tell the difference if both bids show their RACI and their client-effort estimate.

Trace each line of the estimate

ESTIMATE LINE	OUTCOME SERVED	KEY ASSUMPTION	OWNER
Template and data collection build	One governed route	3 templates cover all entity types	Group finance
Entity onboarding (14)	All three	Named finance owner per entity by week 4	Group finance
Matching and reconciliation	Automatic matching	Partner IDs on 90%+ of items	Entity finance
Close calendar and sign-off	Control	Calendar signed by each entity	Group controller
Parallel months (2)	All three	Entities submit in both months	Entity finance

Every line points back to a pain the client named, and forward to an assumption someone owns. That is what makes a price hard to cut and easy to defend.

WHAT GOES WRONG

Three failure patterns

1. The estimate that serves the software, not the pain

The bid spends most of its effort on the platform the integrator knows best, and a token line on the problem the client named. Evaluators score it as strong and irrelevant. Fix: map every estimate line to an outcome; anything unmapped is moved to a later phase or explained.

2. The orphan assumption

“Subsidiaries will provide data in the agreed format.” Nobody owns it, nobody dates it, nobody says what happens if it fails. In month four, it becomes a change request and an argument. Fix: the six-point test, applied to every assumption before submission.

3. The unpriced client effort

The integrator’s days are estimated to the half-day; the client’s are “as required”. The client’s best people are also running the business, and the plan slips around them. Fix: estimate the client side by role and month, and put it in the proposal.

Questions that expose all three

Ask of any estimate, your own or a bidder’s: **Which pain does this line remove? What has to be true for it to hold? Who makes that true, and is their time in the plan?** If any answer is “we’ll see in design”, the estimate isn’t finished.

> **THE ESTIMATE TRACE WORKSHEET**
>
> The free Excel worksheet that comes with this paper puts the chain in one row per estimate line: pain, outcome, counted scope, assumption, owner, date, consequence, RACI, supplier days, client days and risk. It flags assumptions with no owner, lines with no pain behind them and client effort that hasn’t been estimated. It includes the airline case as a worked example. Download it from dealcraftadvisory.ie.

CHECKLISTS

For both sides of the table

Twelve checks for bid teams

- [ ] The client's pain is written in their words.
- [ ] Each pain has a measurable outcome.
- [ ] Every scope block names the outcome it serves.
- [ ] Every scope block is counted.
- [ ] Phase 1 removes the stated pain.
- [ ] Every assumption passes the six-point test.
- [ ] No assumption says "as required".
- [ ] A RACI covers every assumption's work.
- [ ] Client effort is estimated by role and month.
- [ ] Third-party dependencies have dates and owners.
- [ ] Every estimate line traces to an outcome.
- [ ] The delivery lead has signed the trace.

Twelve questions for buyers

- [ ] Which of our pains does phase 1 remove?
- [ ] How will we measure that it has?
- [ ] What did you count, and from what source?
- [ ] Which assumptions move risk to us?
- [ ] Who owns each one, and by when?
- [ ] What happens to price if one fails?
- [ ] Show us the RACI behind the price.
- [ ] How many of our person-days does it need?
- [ ] Which third parties must act, and when?
- [ ] What is not in scope that we might expect?
- [ ] Why is your price different from the others?
- [ ] Who in your team will run what you priced?

SOURCES

Sources and notes

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About the case: the airline group is anonymised and the numbers are illustrative, chosen to show the method. They are not data from any company. Product descriptions reflect SAP and vendor material in October 2026 and may change.

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Bidding? Our win-strategy work starts with the client's pain, and our Orange Team review traces your estimate through scope, assumptions and RACI before you freeze the price.

Buying? Our buy-side support helps you compare bids by what each one asks of you, not just what it costs.

Related papers: Draw the Line; The Scope Multiplier; How Many Data Runs; The Estimate Changes.

Book a free discovery call

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