SAPinsider

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DETAILED FINDINGS

From The Benchmark Report:

Enterprise Cloud Deployment

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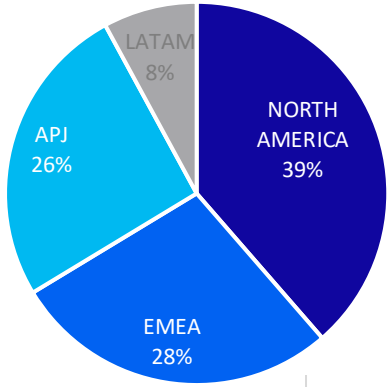
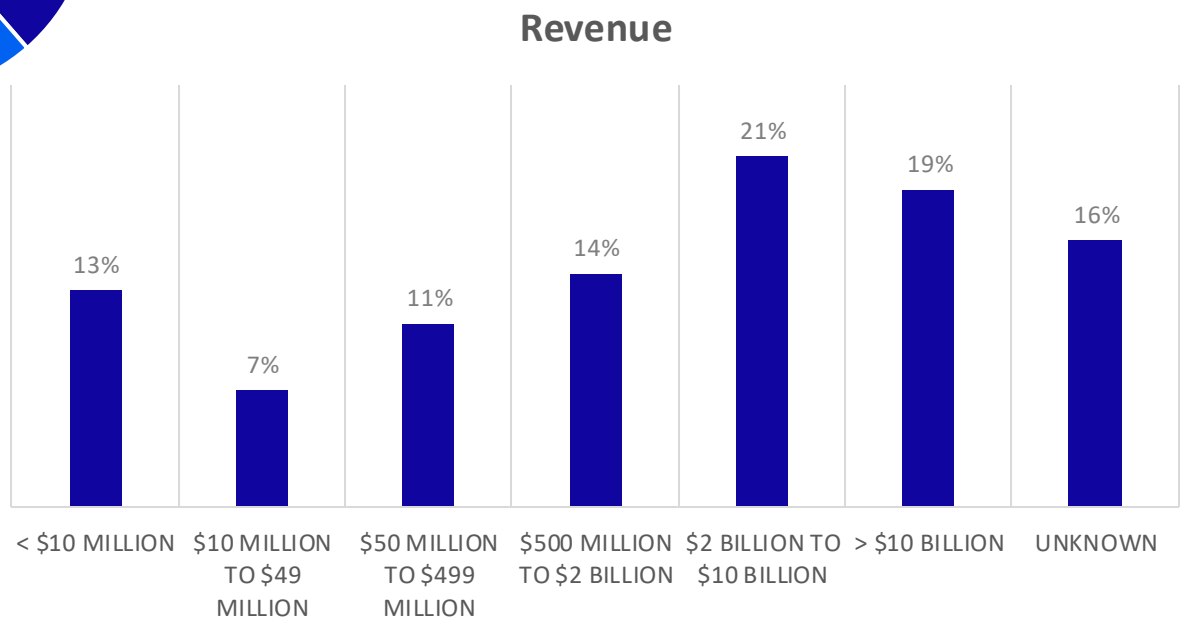
Between April and July 2024, SAPinsider surveyed 133 members of its community.

Survey participants from various geographical regions worldwide represented diverse organization sizes, contributing to a comprehensive dataset.

The primary objective of the survey was to gather insights from professionals who play a pivotal role in determining cloud strategy within their respective organizations.





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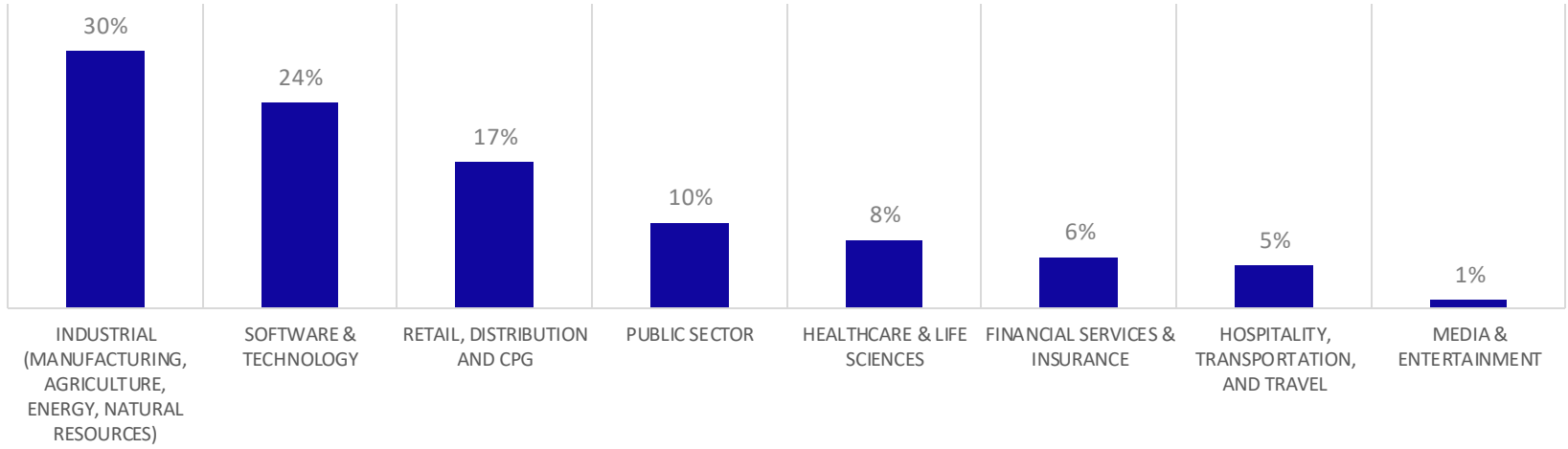
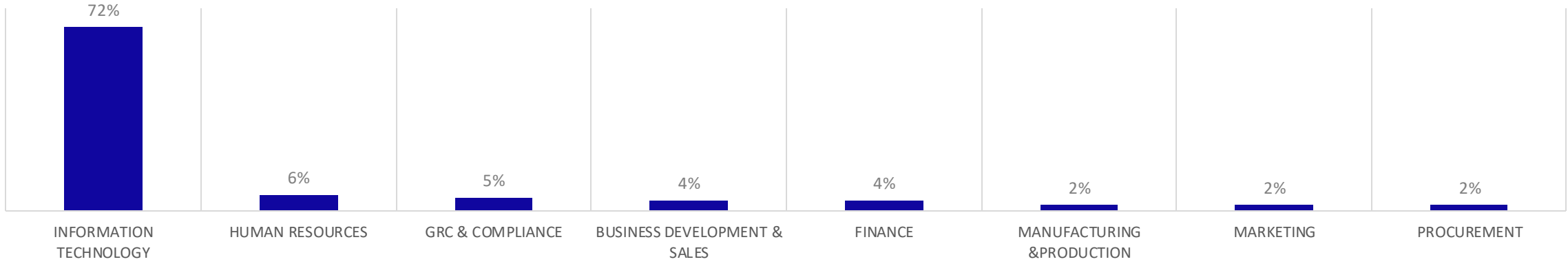
The participants were asked about the cloud strategy being implemented in their organizations.

They were also asked about their organizational roles and the market sector in which their organizations operated.

Market Sector



Role



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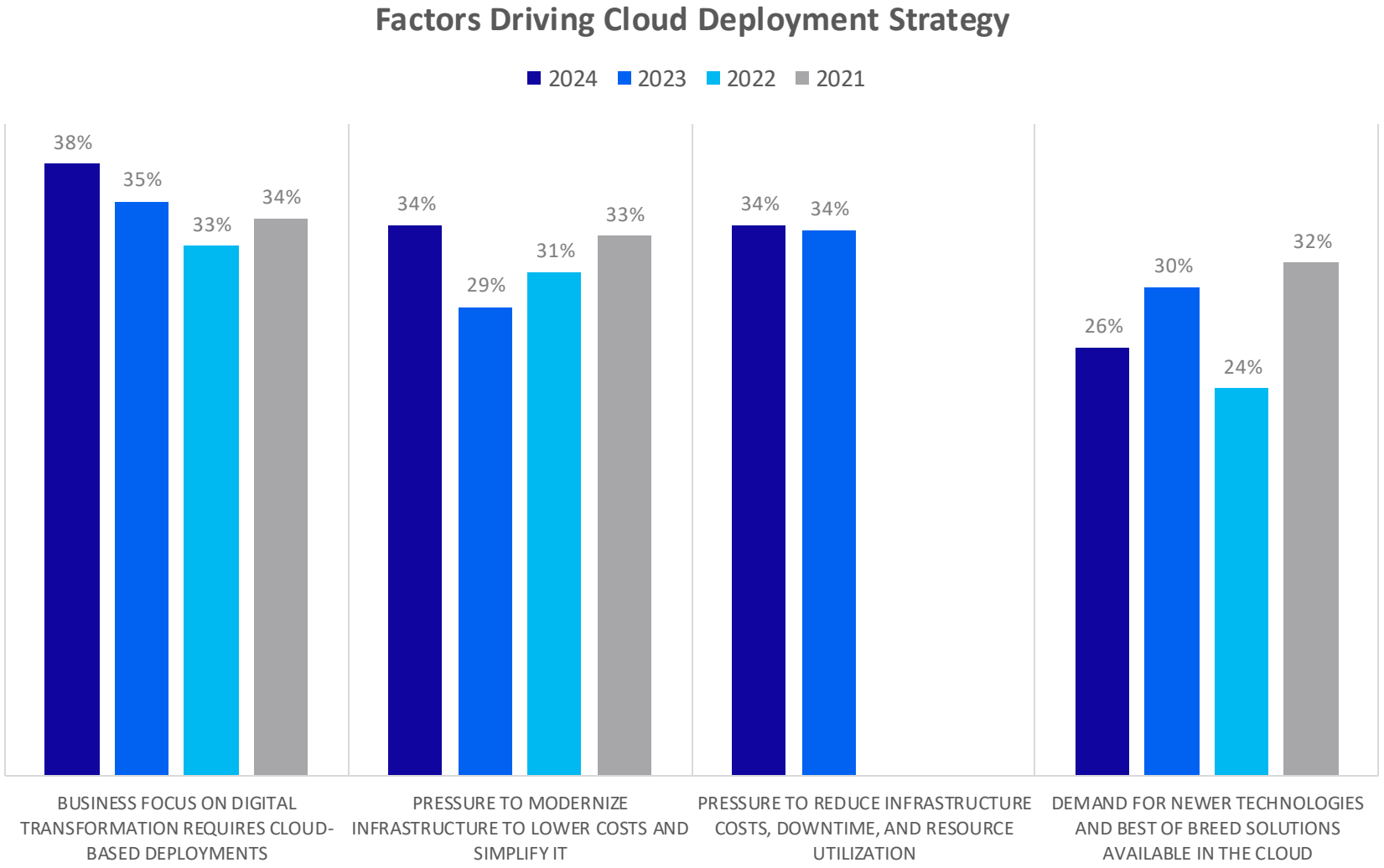
Digital transformation remains the most important factor driving cloud deployment strategies, but the pressure to reduce costs is also a significant part of the decisions made by respondents.

Organizations must ensure that they fully understand the costs of cloud deployments over time, not just the initial costs. This is because, as additional services and compute capacity is added, costs can increase unexpectedly over time.



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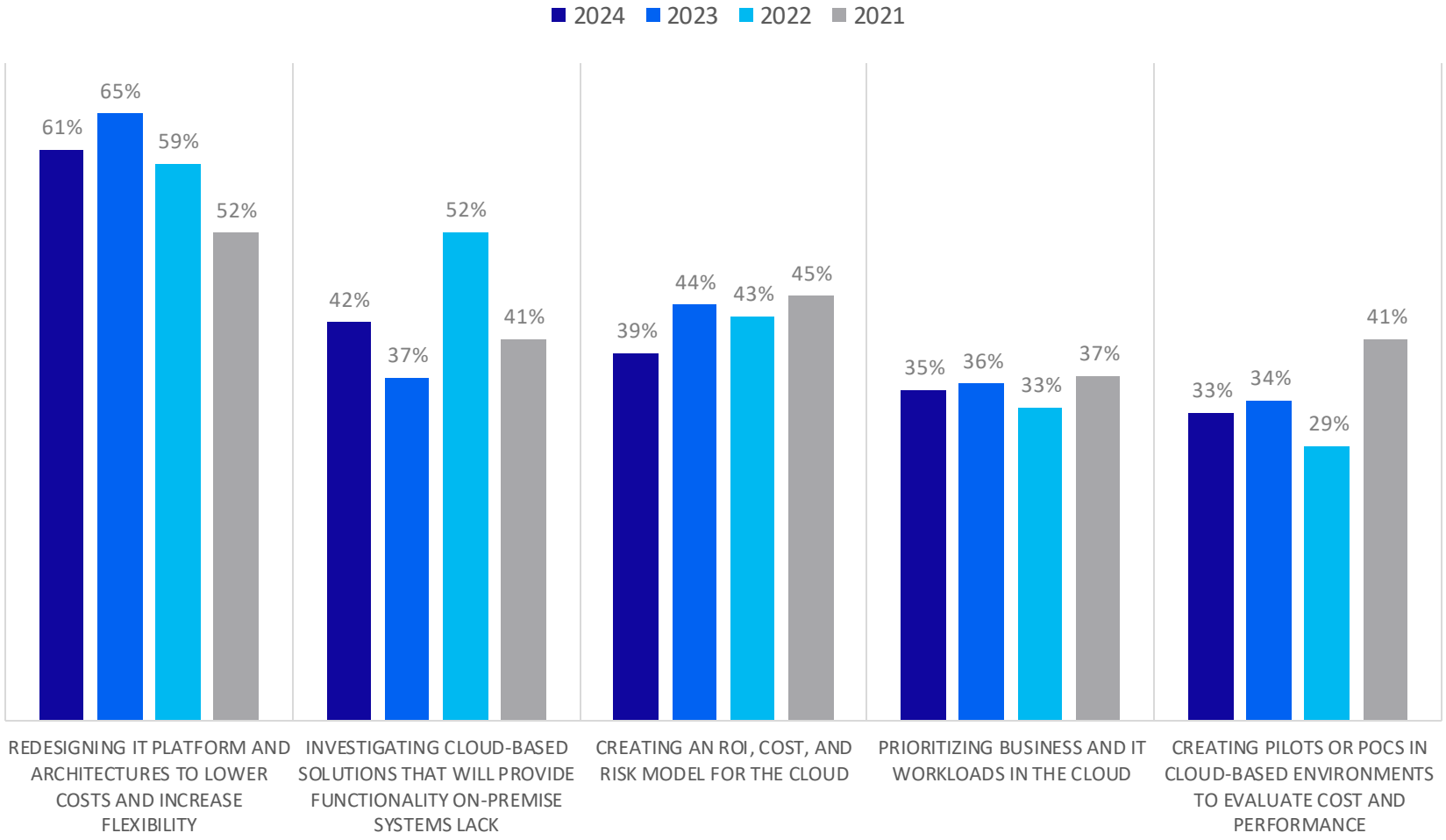
Cost continues to be an important part of the actions taken in response to the factors driving cloud strategies and plans. But there is also a recognition that vendors are prioritizing development of cloud-based solutions.

Organizations should put in place plans for monitoring costs while they evaluate how they can integrate cloud-based solutions into their enterprise landscape, particularly as they focus on new technologies and capabilities.

Actions Taken to Support Cloud Deployment Strategies



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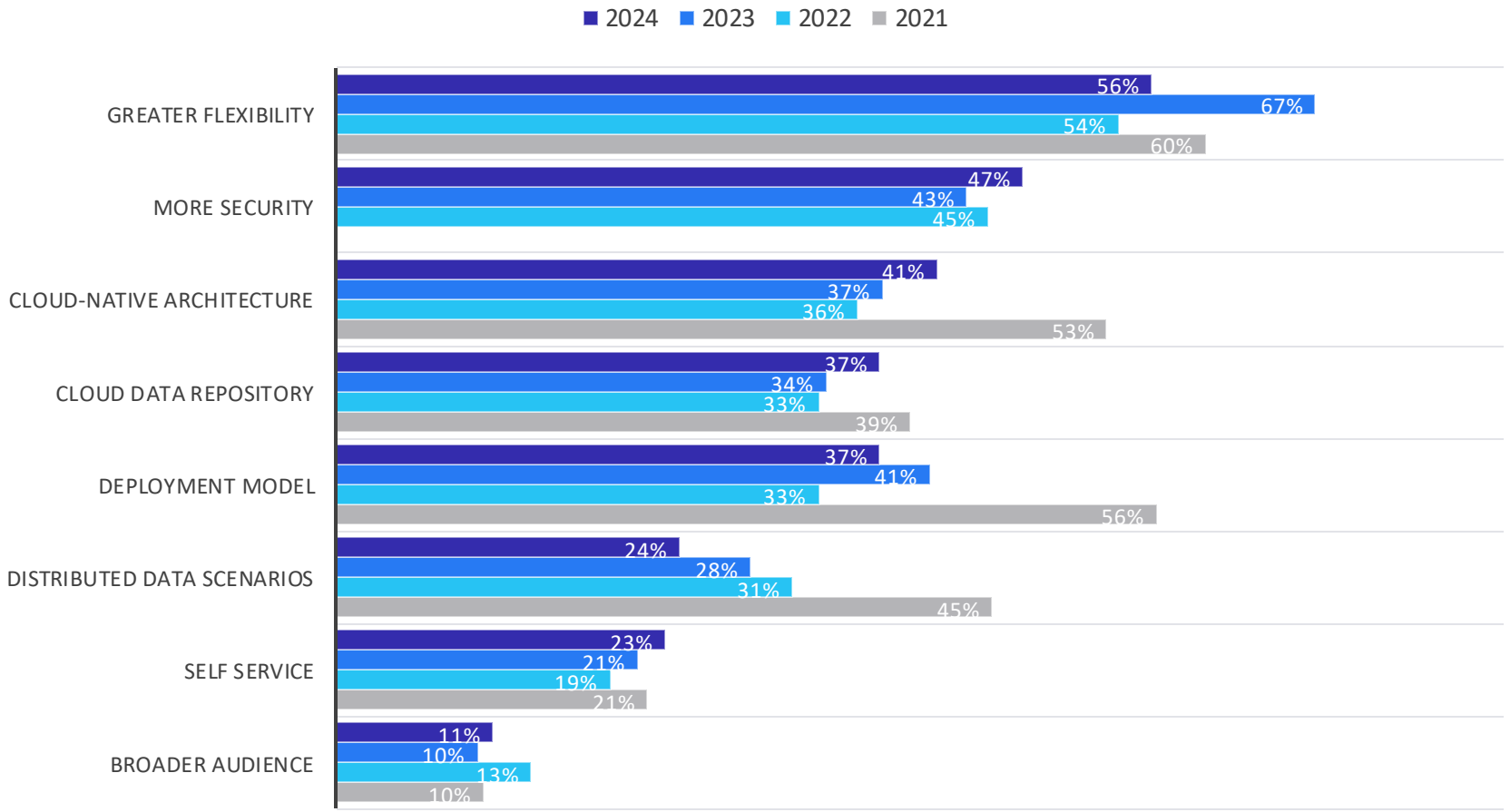
While flexibility remains the most important factor behind moving SAP workloads to the cloud, there is also an expectation that cloud environments will provide more security.

Organizations need to ensure that they understand the security models that different cloud environments offer and what their responsibilities are in those models.

Factors Influencing the Decision to Move SAP Workloads to the Cloud



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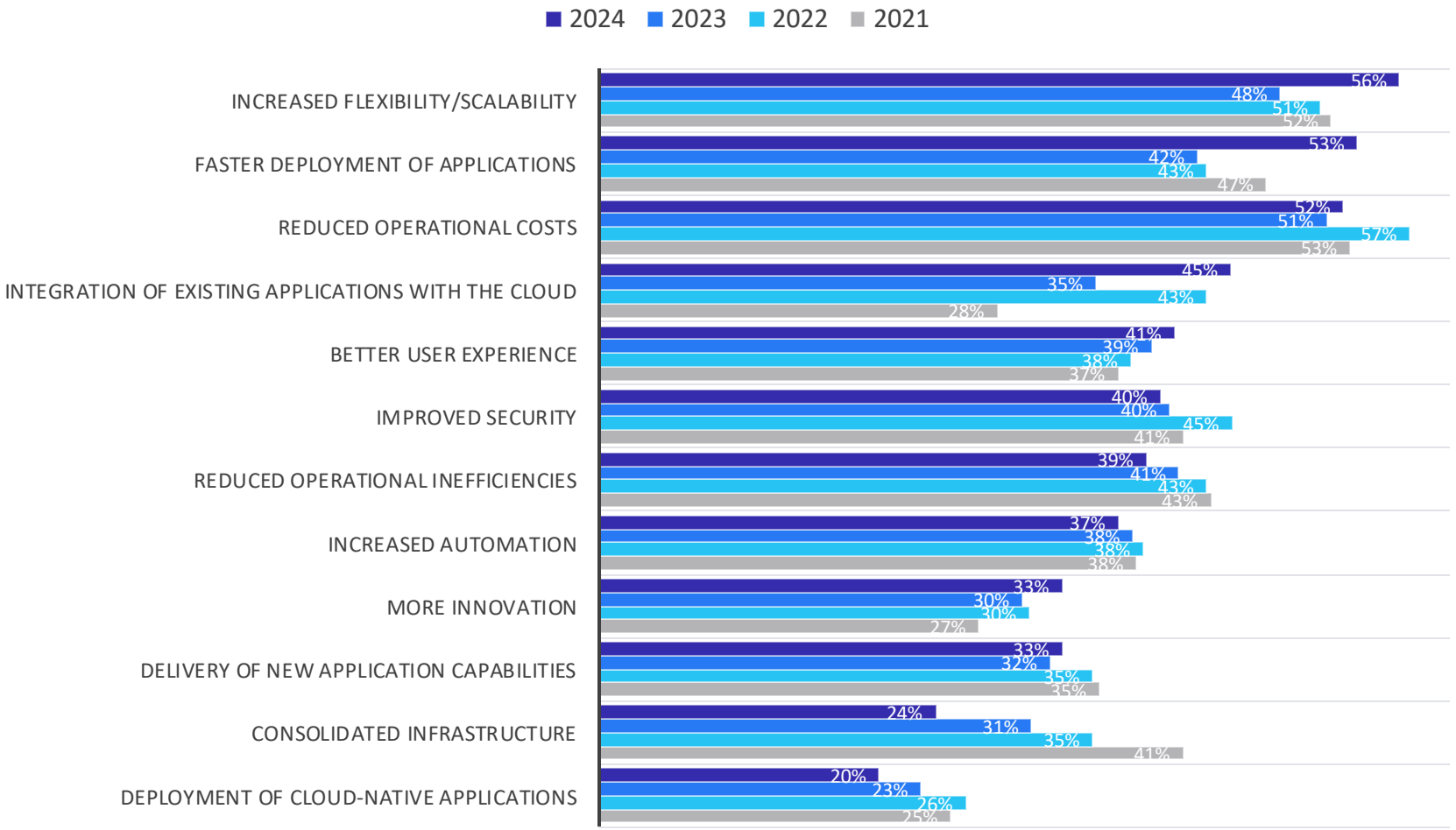
Flexibility and the ability to deploy applications faster are the most important ways in which organizations plan to measure the success of their cloud initiatives, but costs are also a major part of any cloud success.

Organizations need to put in place success criteria before starting any cloud initiatives so that ROI can be effectively reported and measured during the entire project.

Criteria for Measuring the Success of Cloud Initiatives



DART MODEL FRAMEWORK

Strategy and Needs for Cloud Deployment

DRIVERS

- Business focus on digital transformation requires cloud-based deployments (38%)
- Pressure to modernize infrastructure to lower costs and simplify IT (34%)
- Pressure to reduce infrastructure costs, downtime, and resource utilization (34%)
- Demand for newer technologies and best of breed solutions available in the cloud (26%)

ACTIONS

- Redesigning IT platform and architectures to lower costs and increase flexibility (61%)
- Investigating cloud-based solutions that will provide functionality on-premise systems lack (42%)
- Creating an ROI, cost, and risk model for the cloud (39%)
- Prioritizing business and IT workloads in the cloud (35%)
- Creating pilots or PoCs in cloud-based environments to evaluate cost and performance (33%)

REQUIREMENTS

- Data storage and protection requirements (83%)
- Ability to scale flexibly and quickly (77%)
- Strong SLAs with cloud partners (76%)
- Strategy for integrating cloud-based applications (75%)
- Plan for cloud-based data encryption and protection (75%)

TECHNOLOGIES

- Encrypted/secure connectivity (53%)
- Cloud database and data services (47%)
- Cloud backup and recovery (46%)
- Dedicated connections to cloud providers (43%)
- Virtualization and hyper-converged infrastructure (40%)
- Cloud development tools (39%)
- Data encryption tools (39%)
- Cloud data lakes (33%)
- Learning services (31%)
- Sustainability monitoring tools (23%)
- Cloud AI and machine learning (18%)

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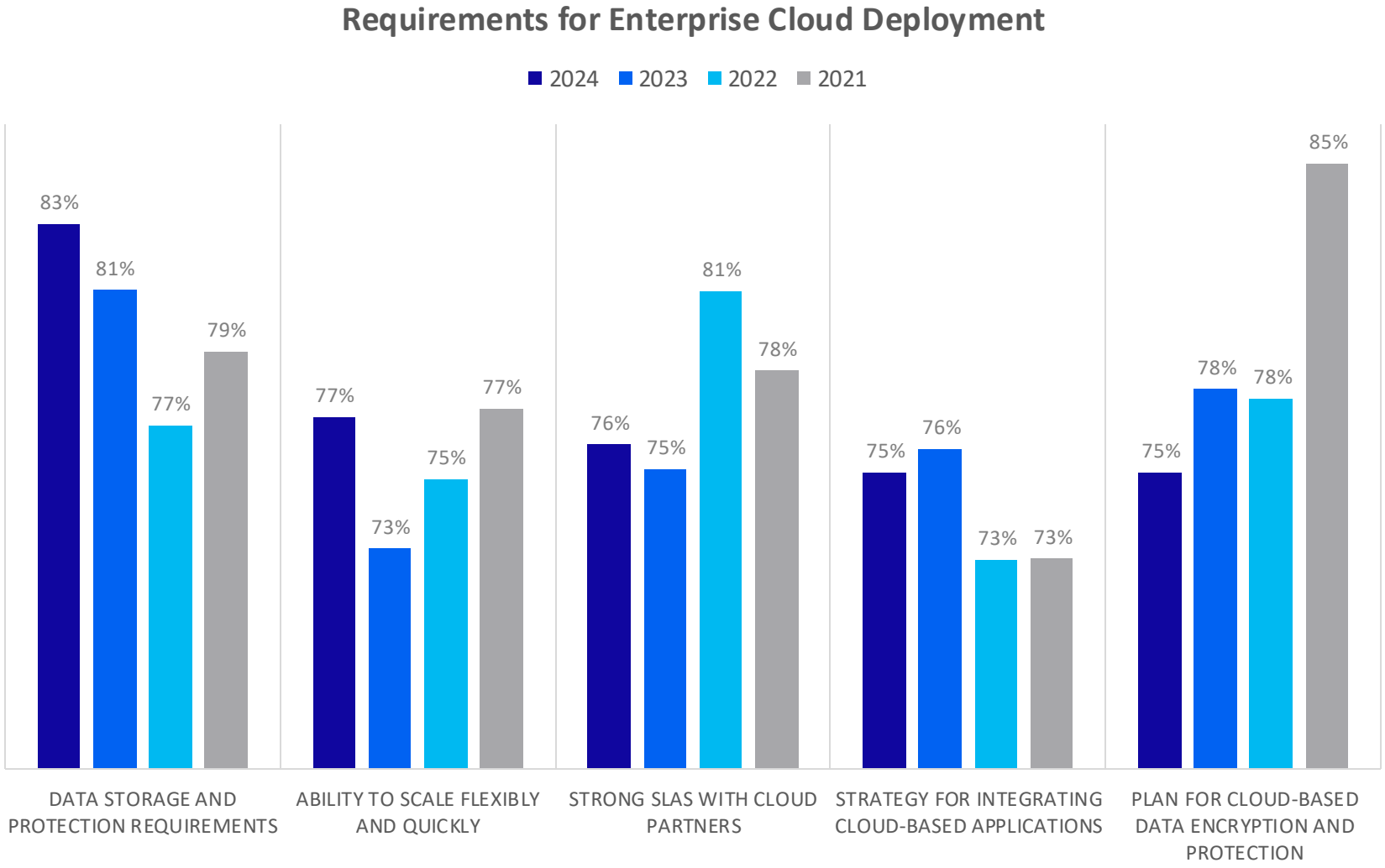
Data storage and protection requirements, in combination with cloud-based data encryption and protection, help increase the security of cloud-based systems. Strong SLAs help ensure cloud systems remain online and available. Both these topics impact overall system resilience, which is crucial for organizations moving to the cloud.

It is vital that plans for high availability and disaster recovery be built into cloud projects and protecting and encrypting data should also be part of these plans.



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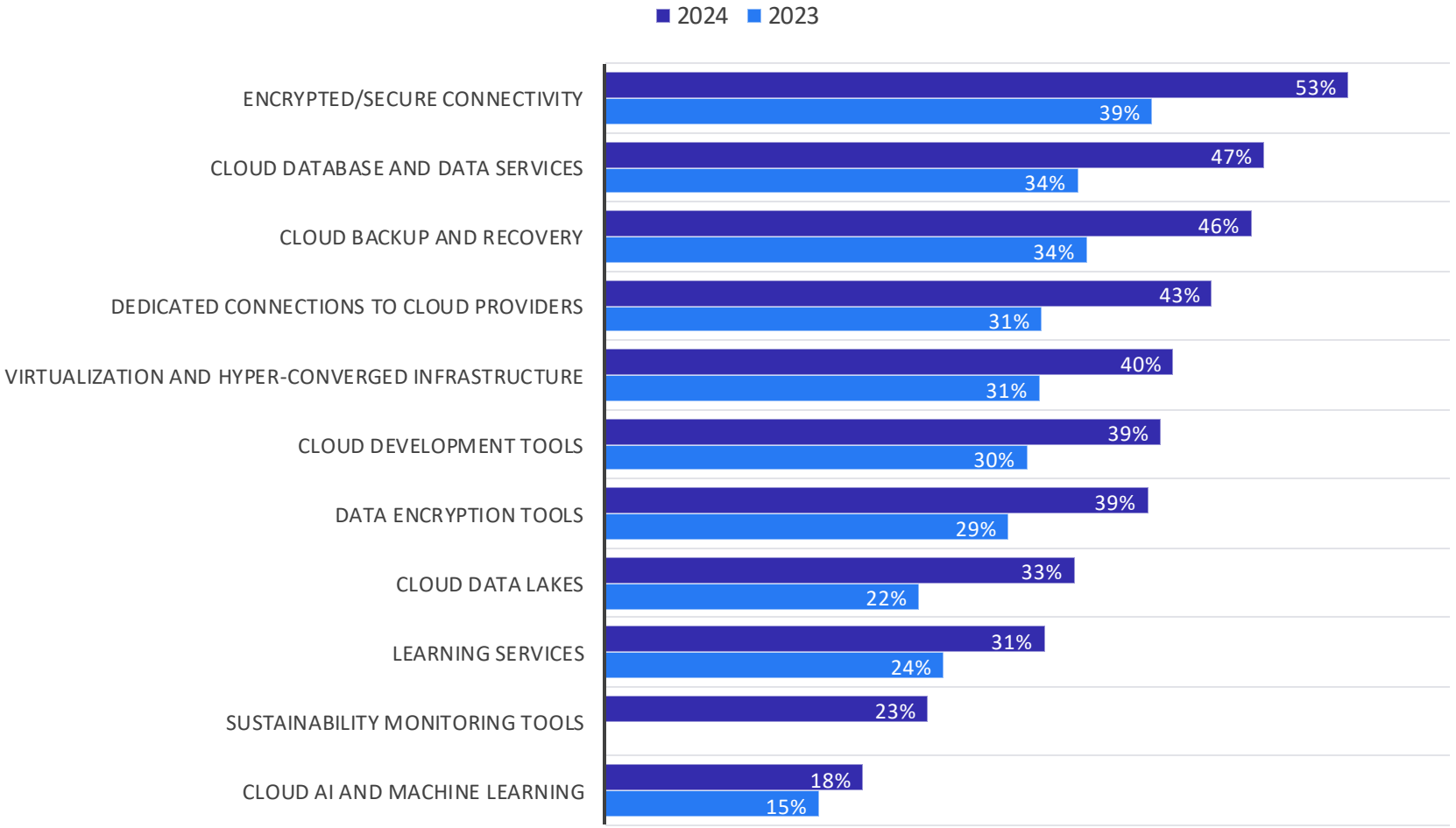
All technologies that are part of cloud deployments have seen a growth in adoption over the last year. This demonstrates the continued growth in cloud usage in general, and for SAP workloads particularly.

Putting in place technology that will help with cloud deployments is crucial to the overall success of those project. As more workloads move to the cloud, it is vital that organizations understand the benefits of different technologies and how they can support and accelerate their projects.

Technologies Used to Support Cloud Deployments



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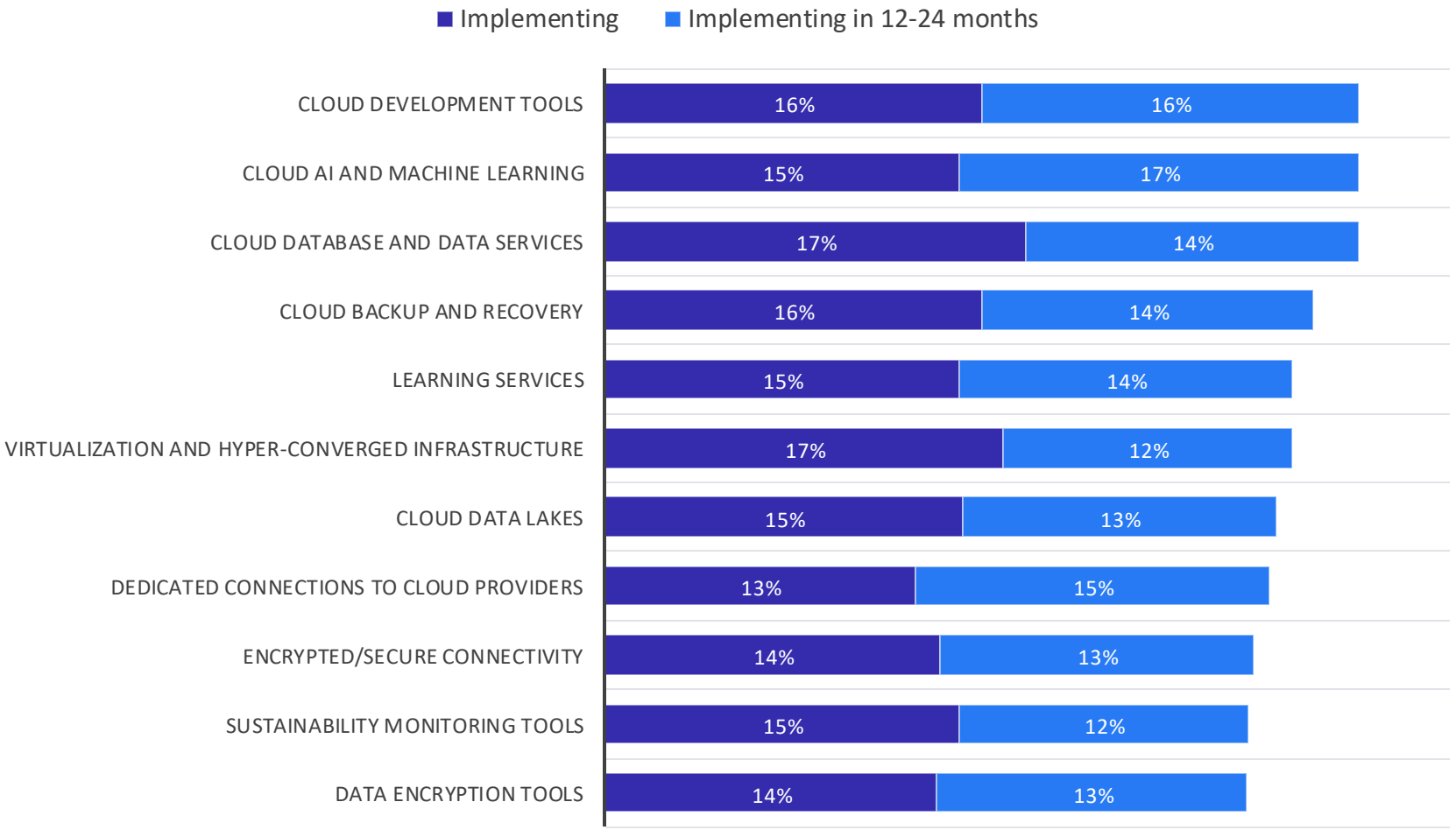
Technologies being implemented over the next 12-24 months are those that support organizations that are either new to the cloud or looking to better utilize the environment.

Cloud development tools help organizations with developing new applications in cloud environments, while AI and machine learning are capabilities that can come into their own with the performance and capacity offered by cloud environments.

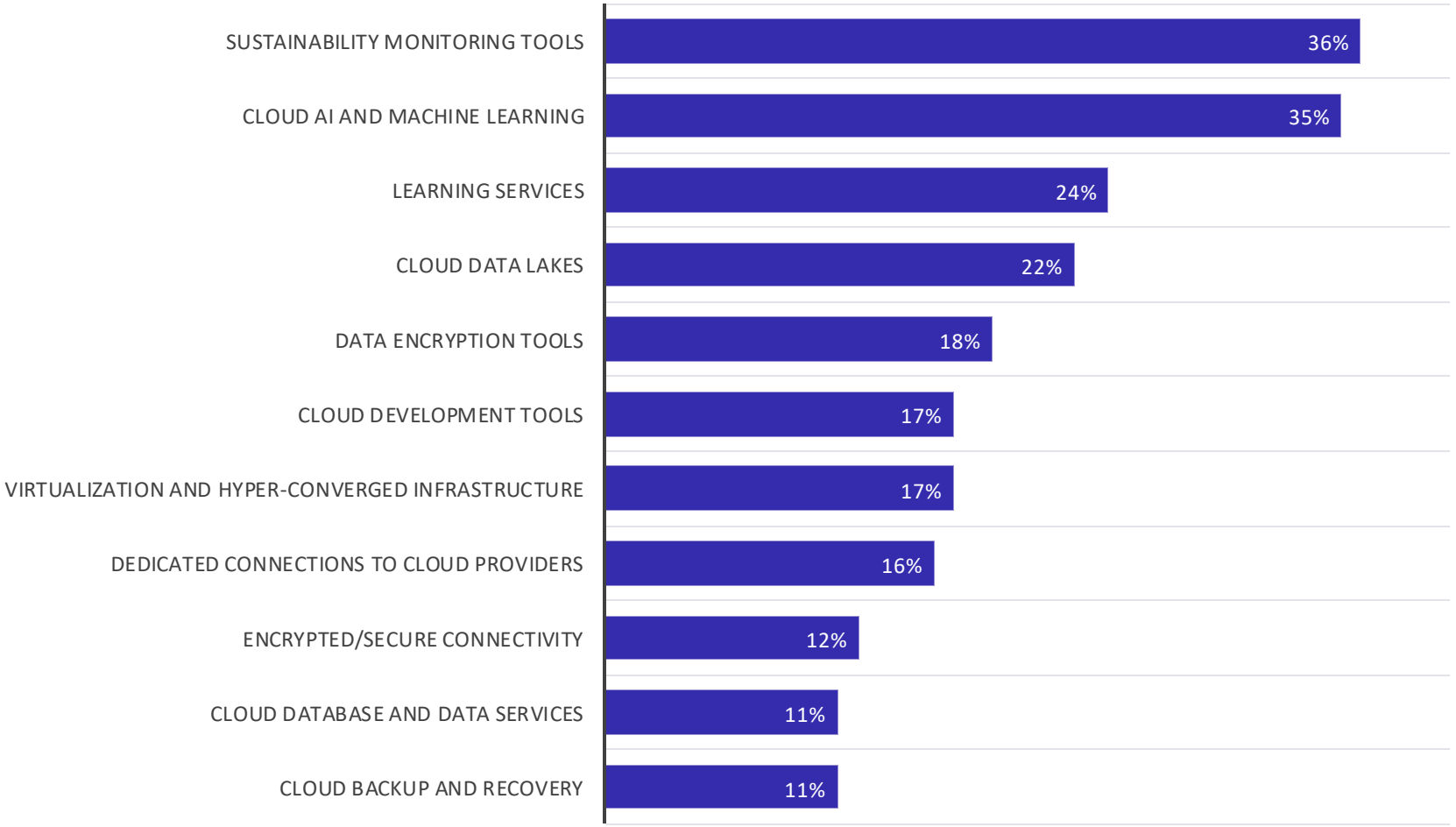
Technologies Being Implemented for Cloud Deployment



10

Organizations are increasingly interested in technologies that technologies that will help organizations maximize their cloud investments. Sustainability and monitoring tools will help manage usage, and cost, of cloud-based-based solutions. Cloud AI and machine learning require the flexibility and scalability that cloud environments offer and can add significant value when part of the right business process.

Technologies Being Evaluated for Cloud Deployment



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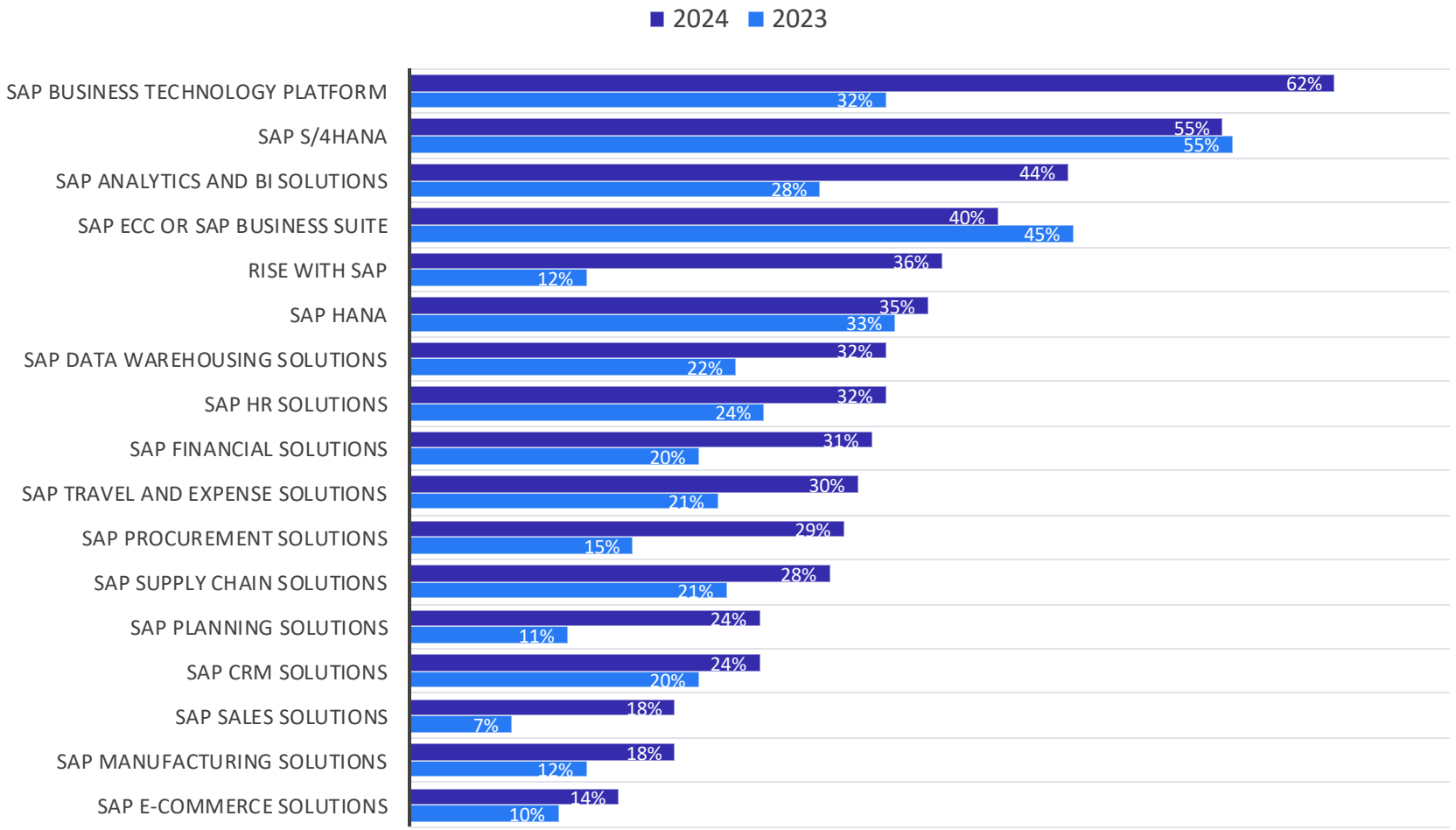
There has been significant growth in the number of organizations using SAP Business Technology Platform (BTP), with large organizations (70%) leading that adoption. While SAP BTP is still the workload most likely to be used in the cloud by smaller organizations (53%), the pace of adoption is slower.

Large organizations are also much more likely to be running SAP S/4HANA in the cloud (68%) than smaller organizations (40%).

SAP Workloads Currently Being Run or Implemented



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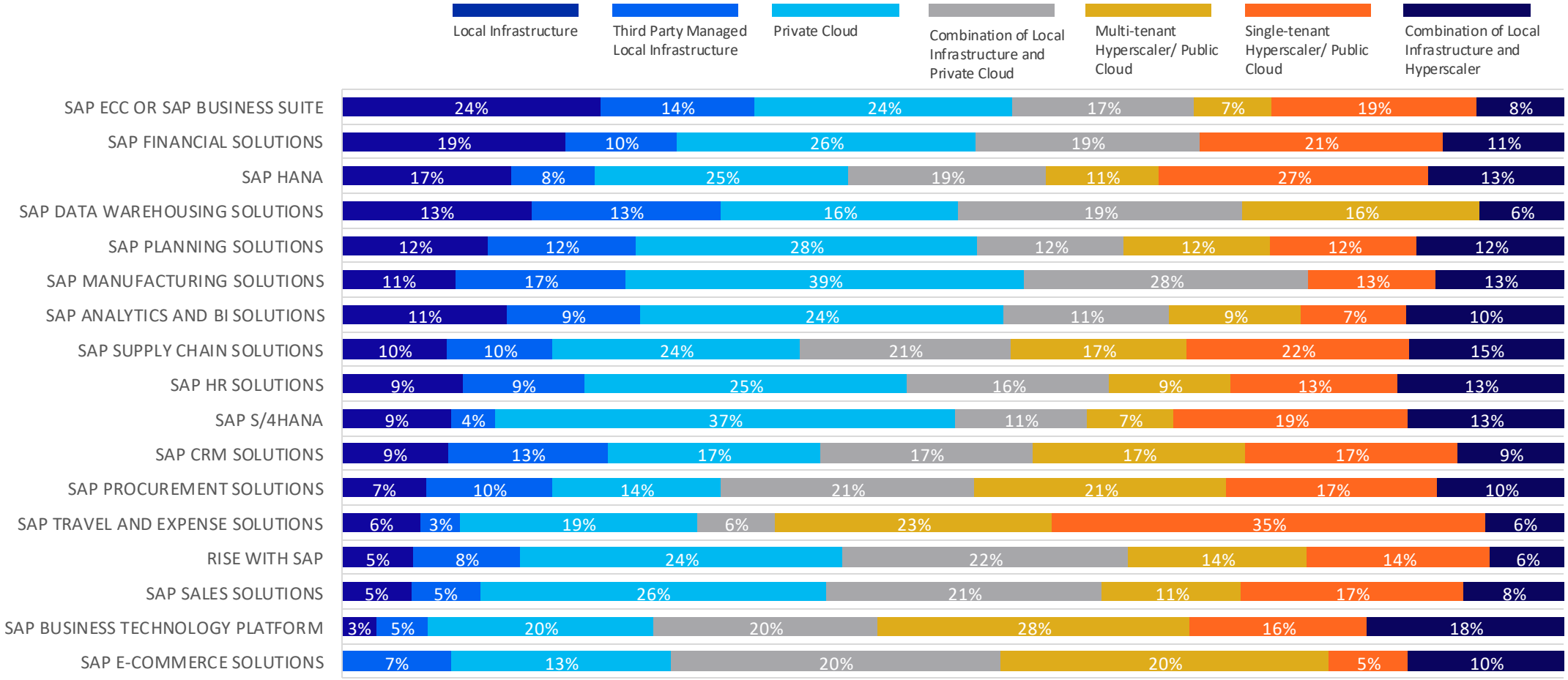
Older ERP and Finance solutions continue to be the workloads most likely to be running on local infrastructure, though organizations are gradually moving away from these environments. SAP BTP is the most likely workload running in hyperscaler environments, though SAP HANA sees a lot of use in single-tenant environments hosed by hyperscalers.

Infrastructure Used for SAP Workloads



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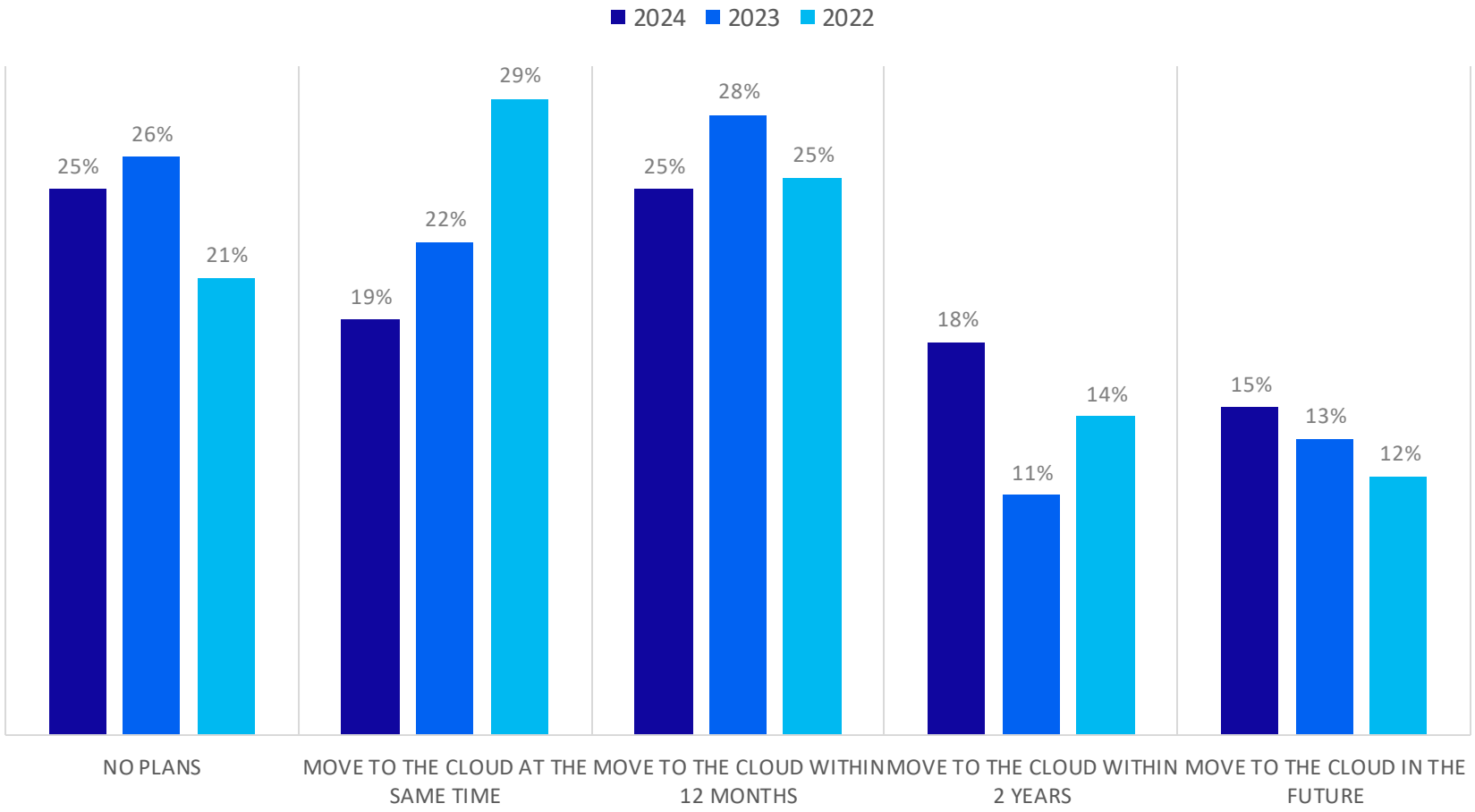
Nearly half of the partner solutions connected to SAP workloads moving to the cloud will also move to the cloud within 12 months. However, a quarter of respondents have no plans for these partner solutions. This can potentially result in problems with integration, data flow, and compatibility if cloud-based solutions are updated and connected partner solutions are not.

Plans for Partner Solutions Connected to SAP Workloads Moving to the Cloud



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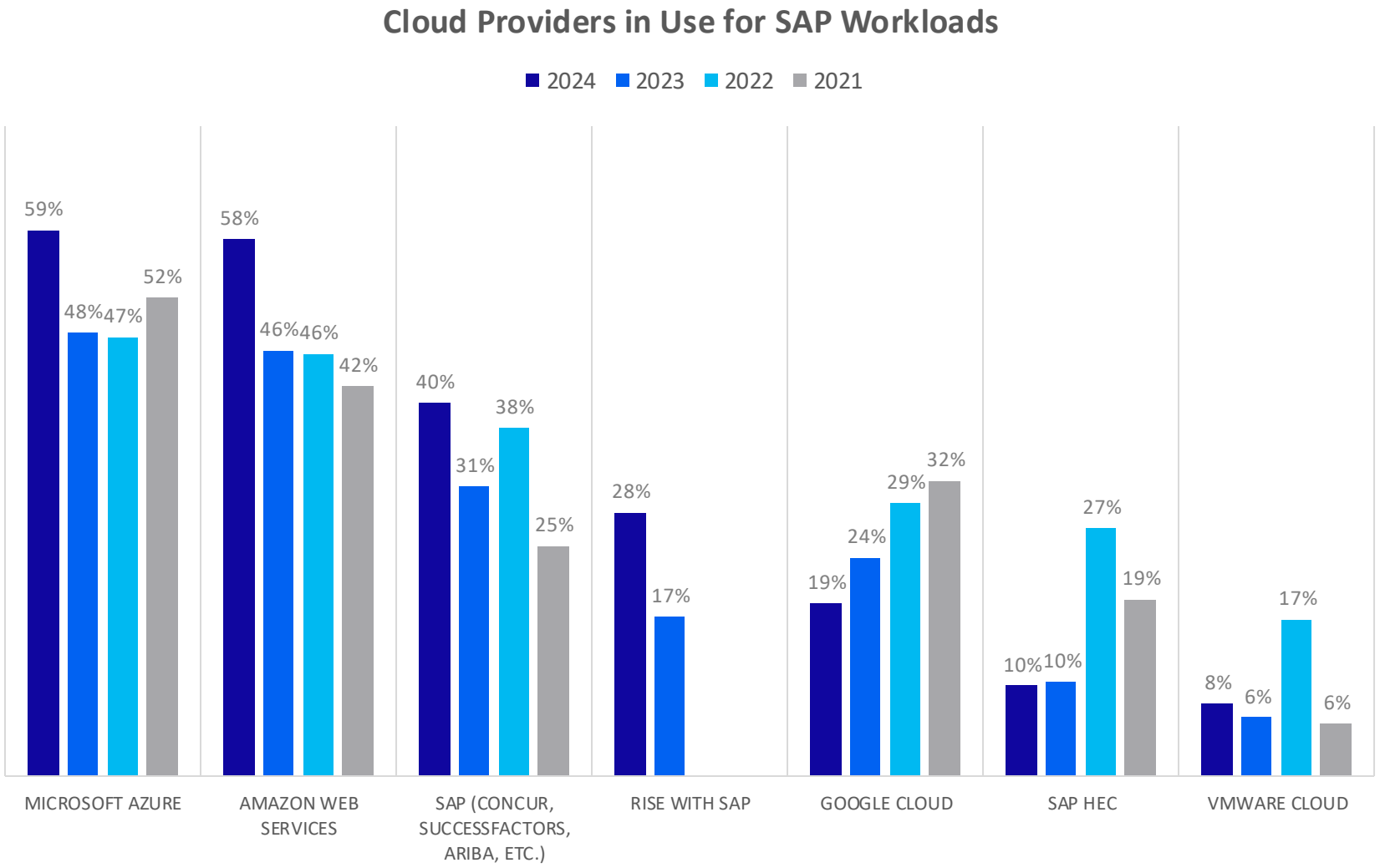
Microsoft Azure and Amazon Web Services are at the top of the list of cloud providers in use for SAP workloads, with SAP hosted workloads such as SAP Concur, SAP SuccessFactors, and SAP Ariba trailing significantly. Data also reflects that an increasing number of customers are using RISE with SAP for hosting workloads beyond the core RISE with SAP services such as SAP S/4HANA Cloud and SAP BTP.



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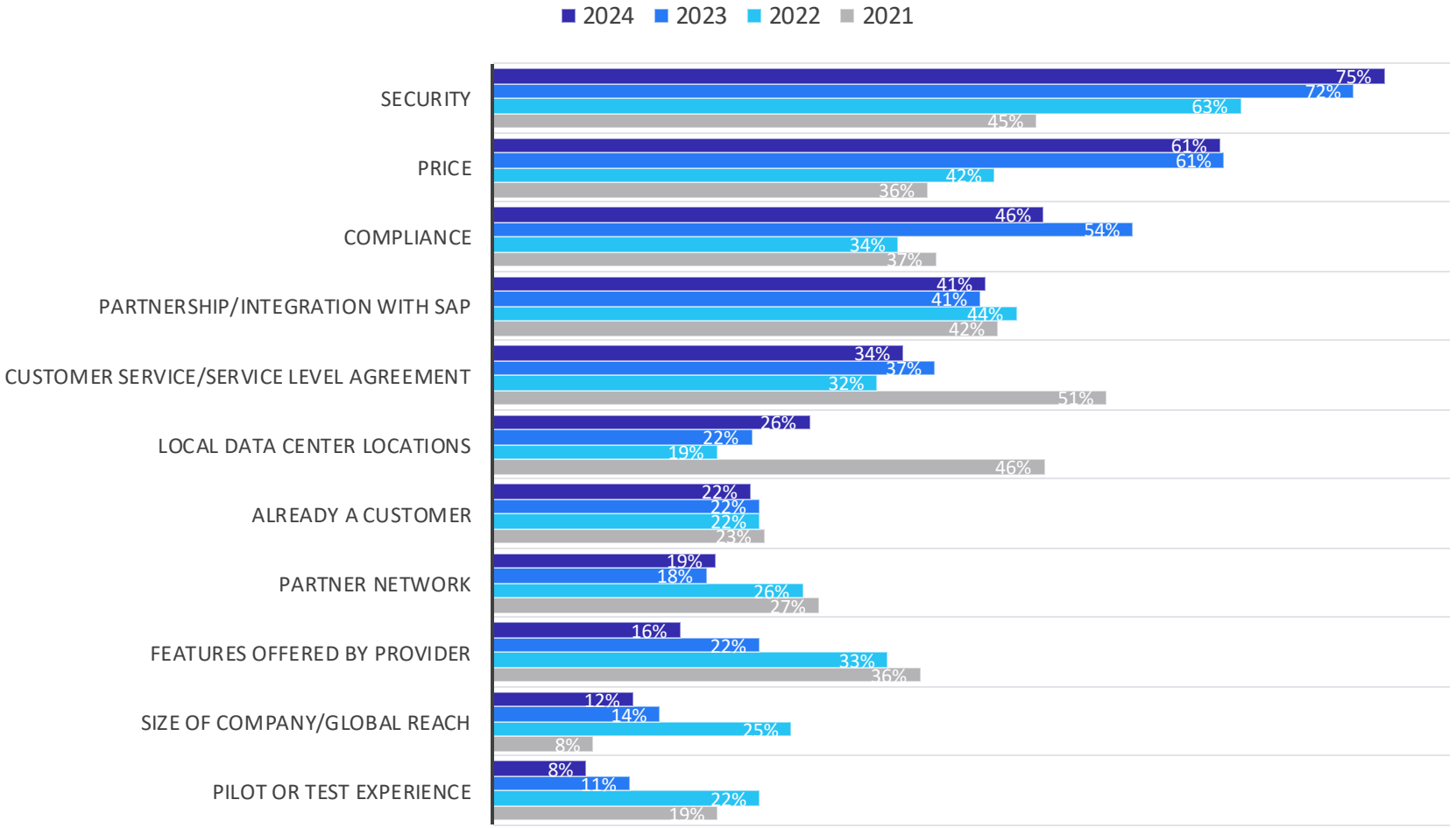
Security and price are the two most important criteria for choosing a cloud provider. The importance of security is not surprising given that many organizations have experienced security attacks either directly on their organizations or with their cloud providers, and there is a need to ensure that data in the cloud is protected.

Notably, there is almost no difference in the responses from large and small organizations

Most Important Criteria When Selecting a Cloud Provider



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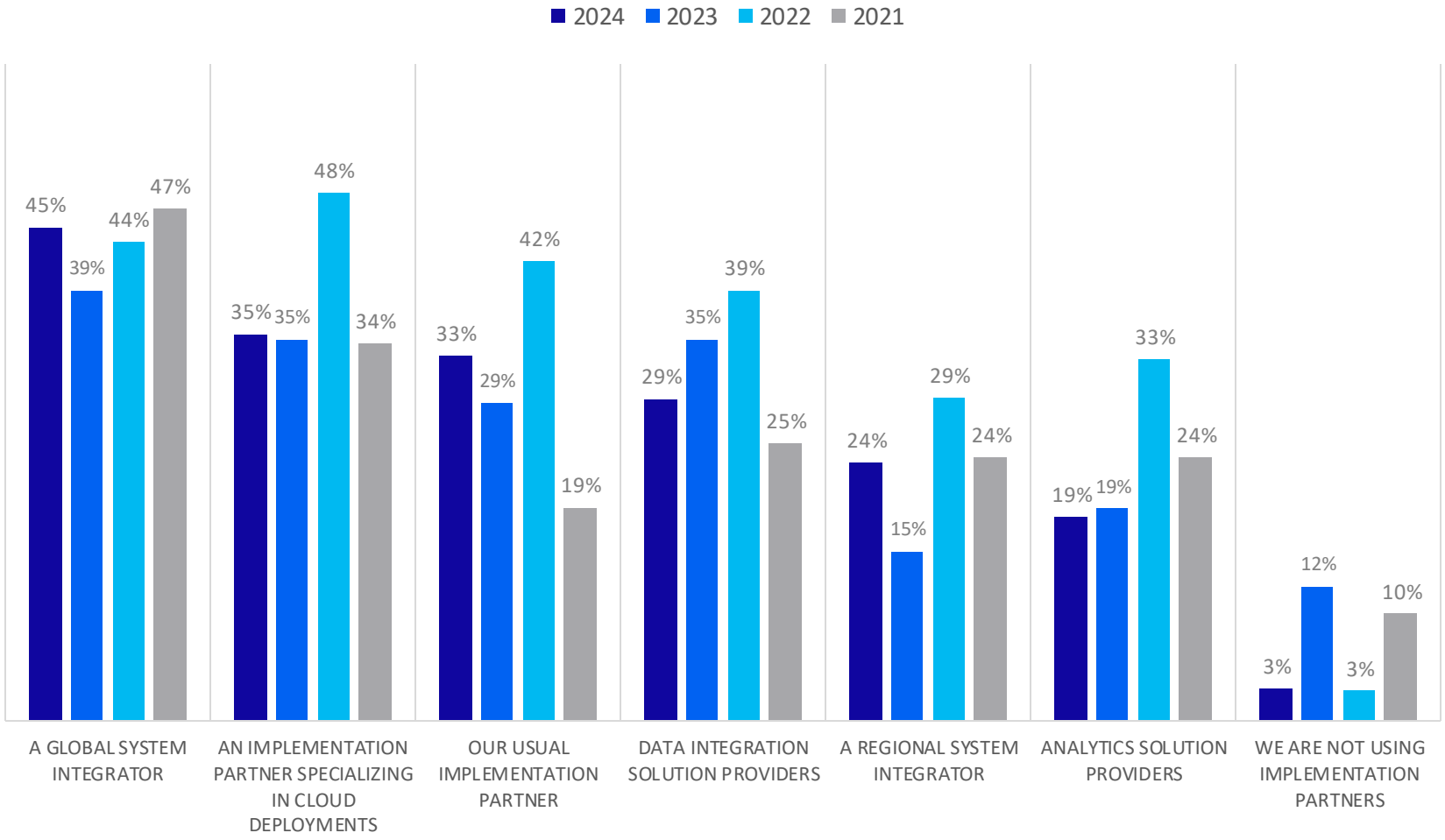
Global SI's remain the most likely implementation partner to be used, although those specializing in cloud deployments remain an important part of the conversation due to their deep level of expertise.

All cloud deployment plans should include a component that addresses the implementation partner being used, and what role they will play in the deployment.

Types of Implementation Partner Used to Support Cloud Deployments



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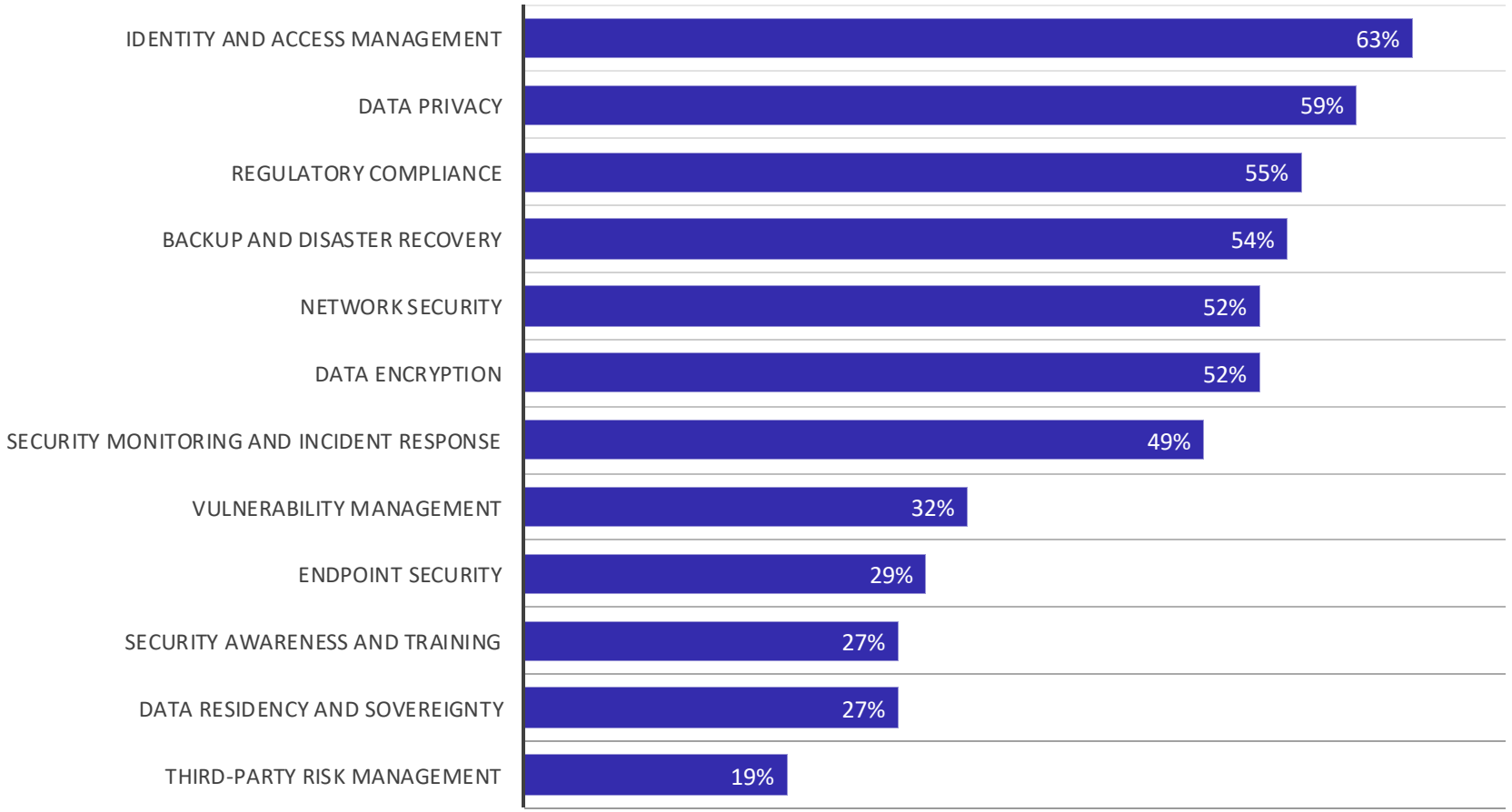
Given the importance of security in the move to the cloud, there are many security and compliance topics being emphasized by those moving SAP workloads to the cloud.

At the top of the list is identity and access management which is vital when managing topics like single sign on across environments, but data privacy is almost as important.

Security and Compliance Topics Being Emphasized as SAP Workloads Are Moved to the Cloud



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THANK YOU

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