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DETAILED FINDINGS

From The Benchmark Report:

RISE with SAP

Robert Holland

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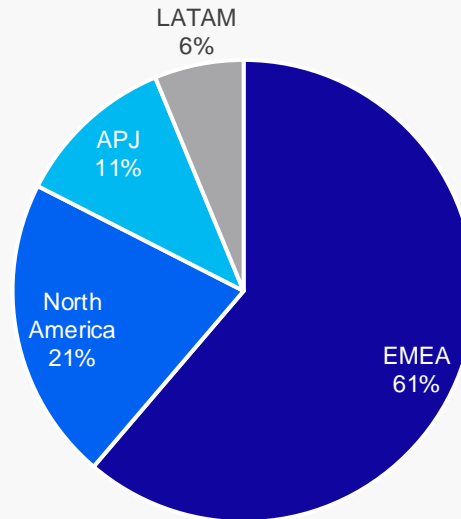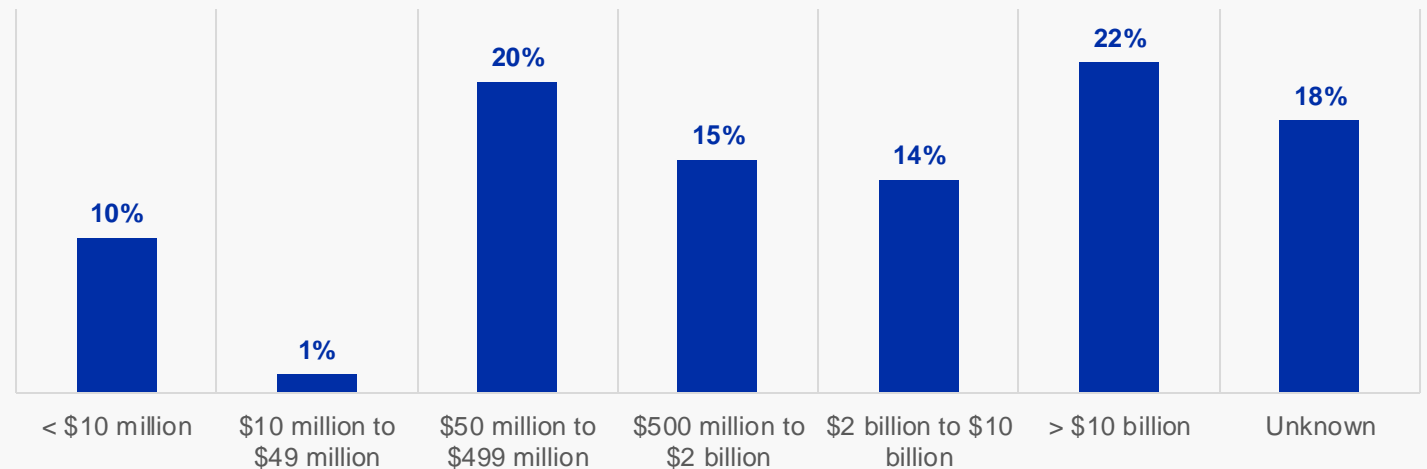Capgemini   Google Cloud   Red Hat   T Systems   zilliant

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Between August and November 2024, SAPinsider surveyed 125 members of its community to understand and gather insights on RISE with SAP, how customers' perspectives have evolved, and its role in the transformation strategies of the SAPinsider community.

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

Pie chart:
- LATAM 6%
- APJ 11%
- North America 21%
- EMEA 61%

Revenue

Bar chart:
- < $10 million: 10%
- $10 million to $49 million: 1%
- $50 million to $499 million: 20%
- $500 million to $2 billion: 15%
- $2 billion to $10 billion: 14%
- > $10 billion: 22%
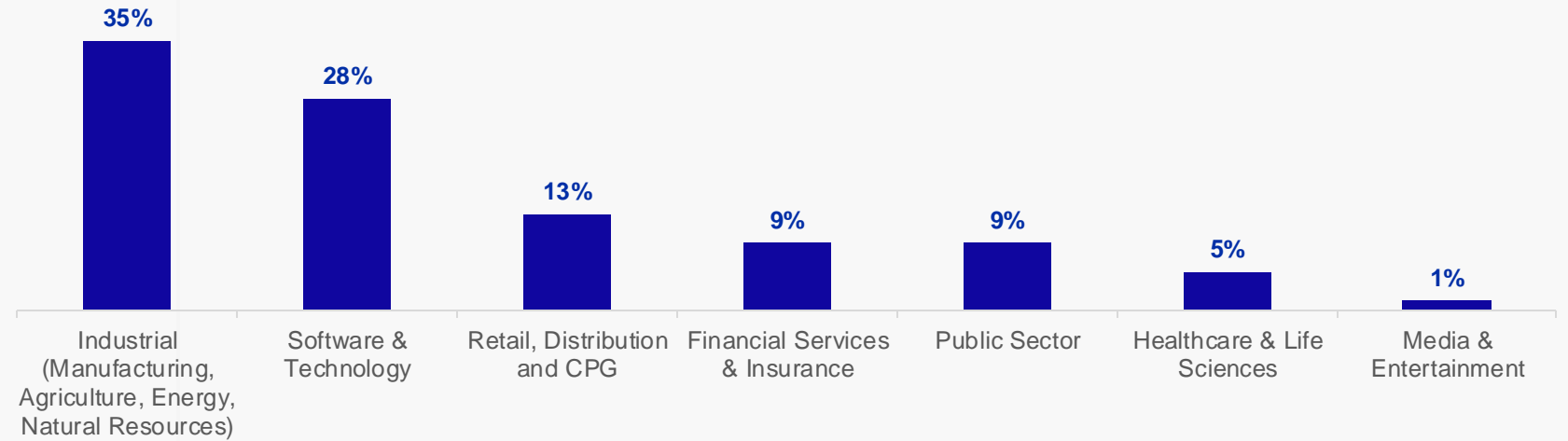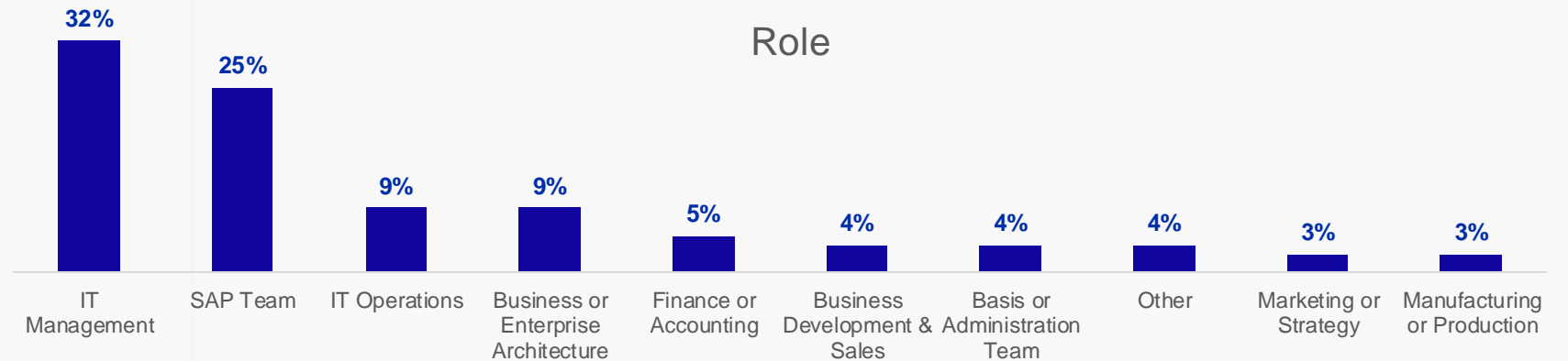- Unknown: 18%

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The participants were asked about the ERP strategies being implemented in their organizations.

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

Industry

35%	28%	13%	9%	9%	5%	1%
Industrial (Manufacturing, Agriculture, Energy, Natural Resources)	Software & Technology	Retail, Distribution and CPG	Financial Services & Insurance	Public Sector	Healthcare & Life Sciences	Media & Entertainment

Role

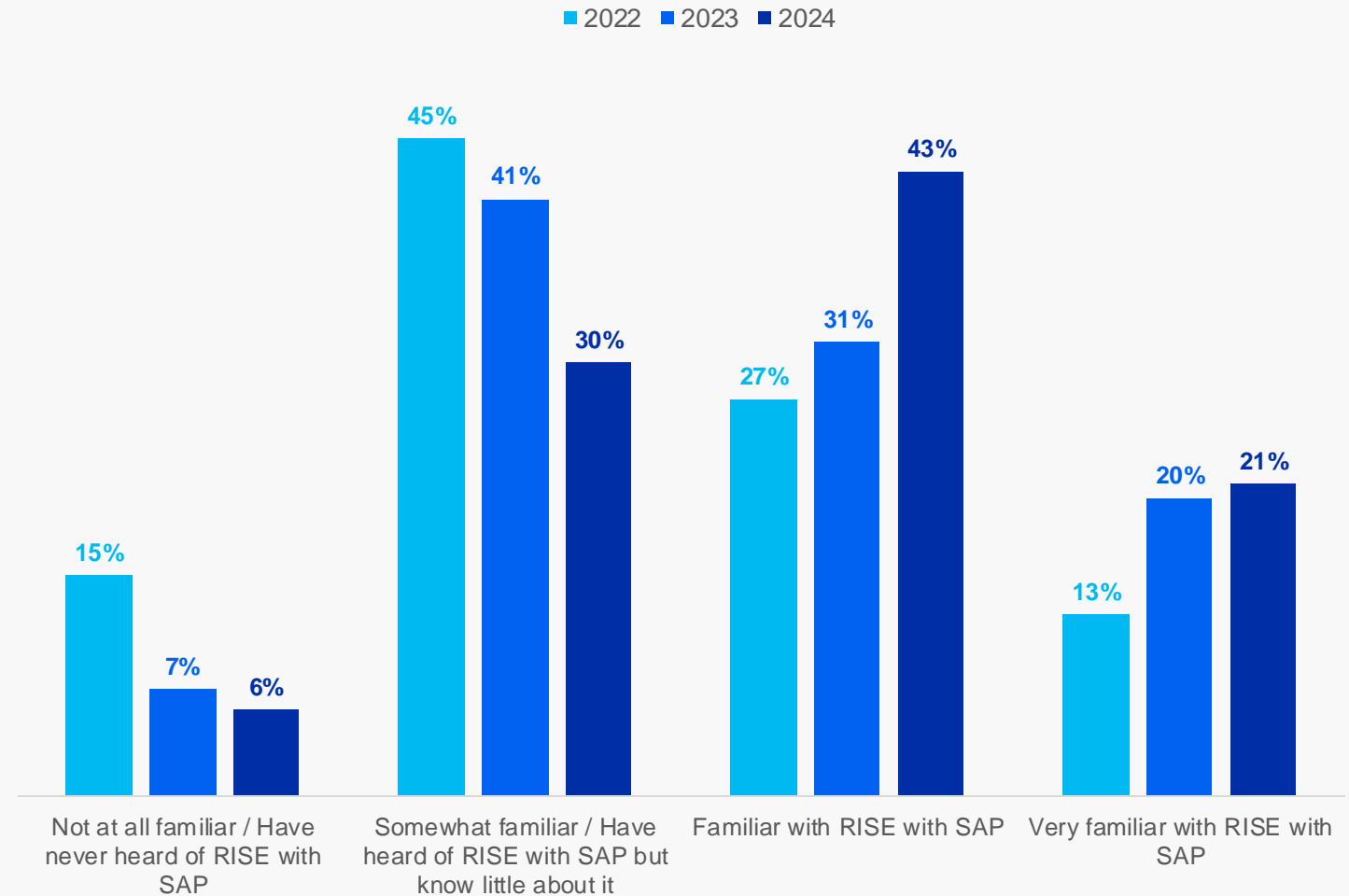|									
32%	25%	9%	9%	5%	4%	4%	4%	3%	3%
IT Management	SAP Team	IT Operations	Business or Enterprise Architecture	Finance or Accounting	Business Development & Sales	Basis or Administration Team	Other	Marketing or Strategy	Manufacturing or Production

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Overall, awareness about RISE with SAP continues to expand as a significant jump is seen in those reporting being familiar with the offering.

However, it is still important for organizations to understand more about RISE with SAP given that it is the focus of SAP's ongoing cloud strategy. This understanding will enable organizations to determine how RISE with SAP will align with their ERP plans.

Familiarity with RISE with SAP

■ 2022 ■ 2023 ■ 2024

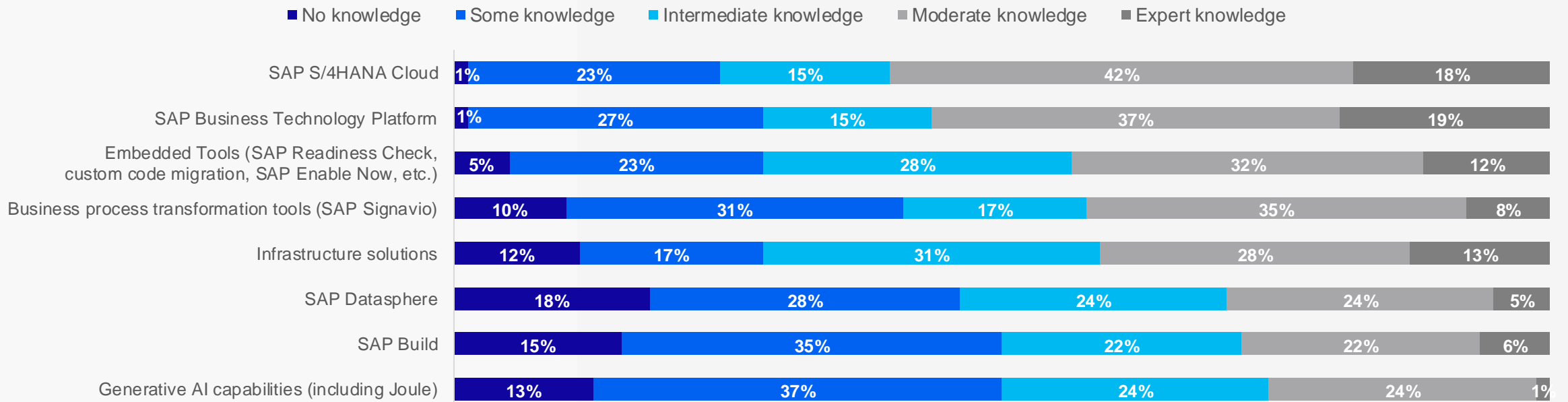|	Not at all familiar / Have never heard of RISE with SAP	Somewhat familiar / Have heard of RISE with SAP but know little about it	Familiar with RISE with SAP	Very familiar with RISE with SAP
2022	15%	45%	27%	13%
2023	7%	41%	31%	20%
2024	6%	30%	43%	21%

4

The biggest change this year has been in the level of familiarity that respondents have with the business process transformation tools offered by SAP Signavio. When compared to last year, this was one of the areas respondents were least familiar with. However, despite the interest generated by the generative AI capabilities offered in RISE with SAP, respondents have little knowledge about the offering.

Continuing to invest time in learning about RISE with SAP is crucial for organizations if they want to understand how it will support their innovation strategies.

Knowledge of RISE with SAP Components

■ No knowledge ■ Some knowledge ■ Intermediate knowledge ■ Moderate knowledge ■ Expert knowledge

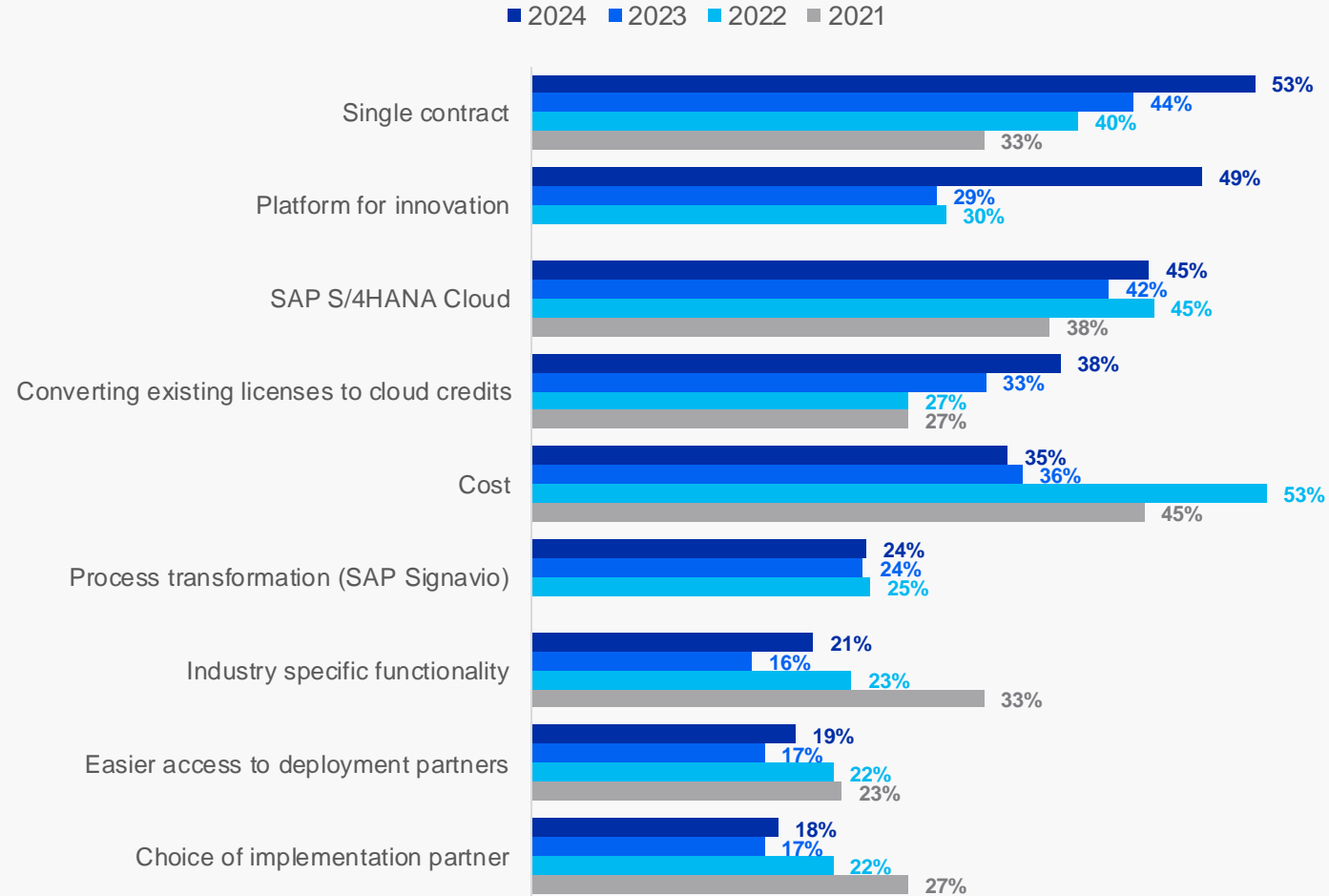| Component	No knowledge	Some knowledge	Intermediate knowledge	Moderate knowledge	Expert knowledge
SAP S/4HANA Cloud	1%	23%	15%	42%	18%
SAP Business Technology Platform	1%	27%	15%	37%	19%
Embedded Tools (SAP Readiness Check, custom code migration, SAP Enable Now, etc.)	5%	23%	28%	32%	12%
Business process transformation tools (SAP Signavio)	10%	31%	17%	35%	8%
Infrastructure solutions	12%	17%	31%	28%	13%
SAP Datasphere	18%	28%	24%	24%	5%
SAP Build	15%	35%	22%	22%	6%
Generative AI capabilities (including Joule)	13%	37%	24%	24%	1%

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Both large and small organizations realize the benefit of the single contract offered by RISE with SAP, making it the top choice in the list of potential benefits. However, what has seen a significant increase this year is the percentage of those that see RISE with SAP providing a platform for innovation.

Organizations need to carefully analyze the benefits to understand how RISE with SAP adds value to their specific needs.

What About RISE with SAP Provides the Most Benefit?

■ 2024 ■ 2023 ■ 2022 ■ 2021

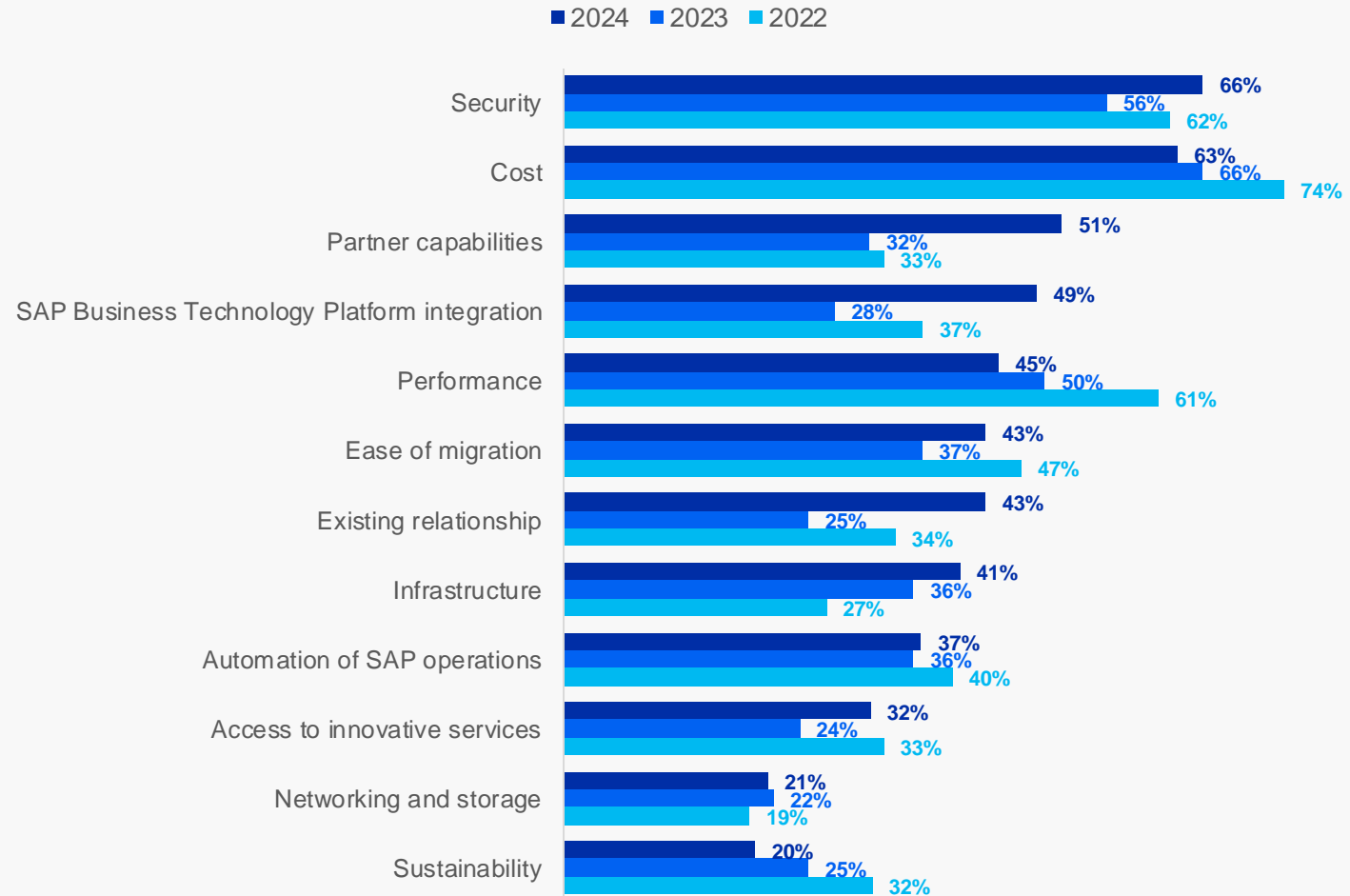| Category	2024	2023	2022	2021
Single contract	53%	44%	40%	33%
Platform for innovation	49%	29%	30%	
SAP S/4HANA Cloud	45%	42%	45%	38%
Converting existing licenses to cloud credits	38%	33%	27%	27%
Cost	35%	36%	53%	45%
Process transformation (SAP Signavio)		24%	24%	25%
Industry specific functionality	21%	16%	23%	33%
Easier access to deployment partners	19%	17%	22%	23%
Choice of implementation partner	18%	17%	22%	27%

6

Security and cost continue to be the most important factors selected by respondents when it comes to choosing a cloud service provider for RISE with SAP, although partner capabilities and SAP BTP integration both saw significant growth this year.

Cost should not be the only factor when choosing a cloud provider for RISE with SAP. Factors like support for SAP BTP and availability of partner capabilities is also vital. This is why it is important for organizations to dedicate time to educating teams on the choices they will make.

Factors Choosing a Cloud Provider for RISE with SAP

■2024 ■2023 ■2022

Factor	2024	2023	2022
Security	66%	56%	62%
Cost	63%	66%	74%
Partner capabilities	51%	32%	33%
SAP Business Technology Platform integration	49%	28%	37%
Performance	45%	50%	61%
Ease of migration	43%	37%	47%
Existing relationship	43%	25%	34%
Infrastructure	41%	36%	27%
Automation of SAP operations	37%	36%	40%
Access to innovative services	32%	24%	33%
Networking and storage	21%	22%	19%
Sustainability	20%	25%	32%

DART
MODEL FRAMEWORK

RISE with SAP

DRIVERS

- **Upcoming end of maintenance of core SAP ERP systems (44%)**
- **Need to update and improve existing business processes and create new operational efficiencies (40%)**
- **Opportunity to re-engineer processes to better fit operational needs and correct configurations from a previous ERP implementation (27%)**

ACTIONS

- **Architecting a unified IT landscape to provide better movement and integration of data (51%)**
- **Redesigning IT platform and architectures to lower costs and increase flexibility (46%)**
- **Updating and redesigning processes as part of a new ERP implementation (46%)**

REQUIREMENTS

- **Comprehensive monitoring to ensure system health and security (81%)**
- **Business process models that meet regulatory requirements for data management (78%)**
- **Best practice compliance checks that avoid outages (72%)**
- **Ability to have insight into process performance (71%)**
- **A partner with experience migrating and managing transactional and historical data (70%)**
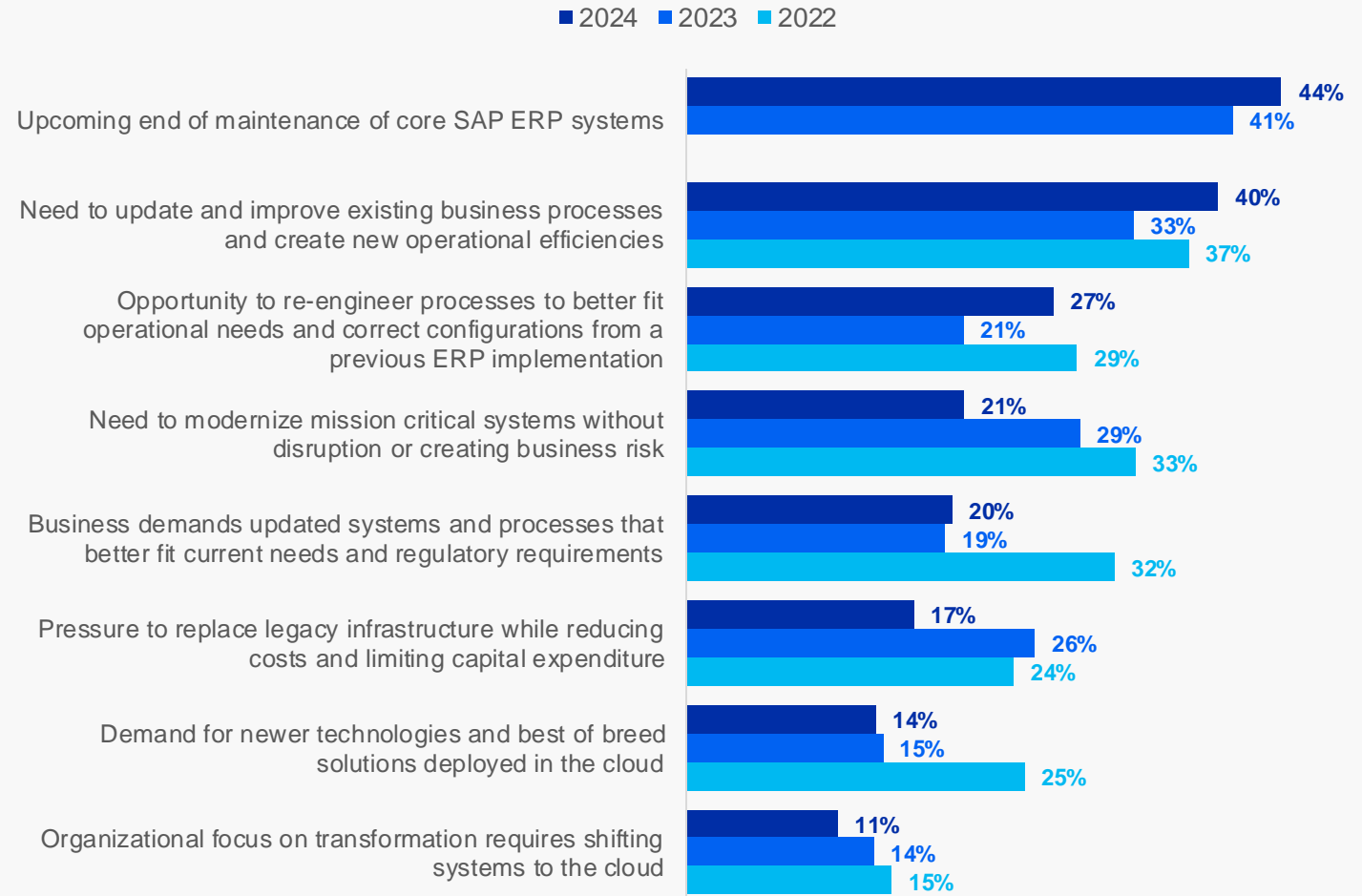
TECHNOLOGIES

- **High Availability and Disaster Recovery (55%)**
- **Managed infrastructure environments on-premise (48%)**
- **Cloud-based platforms and infrastructure (48%)**
- **Software-as-a-Service deployments (40%)**
- **SAP managed and tuned infrastructure (30%)**
- **Infrastructure automation (26%)**
- **Business process transformation tools (23%)**
- **Cloud-based ERP (21%)**
- **Custom code lifecycle management (21%)**
- **Data cleansing tools (18%)**

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The upcoming end of maintenance remains the biggest factor driving SAP S/4HANA and RISE with SAP adoption. However, there is also a continued need to update and improve existing business processes and drive organizational efficiency.

While organizations should already have plans in place for managing the upcoming end of maintenance, planning systems updates and processes as part of this change is also vital.

Top Factors Impacting Strategy for ERP and Innovation

■ 2024 ■ 2023 ■ 2022

Upcoming end of maintenance of core SAP ERP systems
- 44%
- 41%

Need to update and improve existing business processes and create new operational efficiencies
- 40%
- 33%
- 37%

Opportunity to re-engineer processes to better fit operational needs and correct configurations from a previous ERP implementation
- 27%
- 21%
- 29%

Need to modernize mission critical systems without disruption or creating business risk
- 21%
- 29%
- 33%

Business demands updated systems and processes that better fit current needs and regulatory requirements
- 20%
- 19%
- 32%

Pressure to replace legacy infrastructure while reducing costs and limiting capital expenditure
- 17%
- 26%
- 24%

Demand for newer technologies and best of breed solutions deployed in the cloud
- 14%
- 15%
- 25%

Organizational focus on transformation requires shifting systems to the cloud
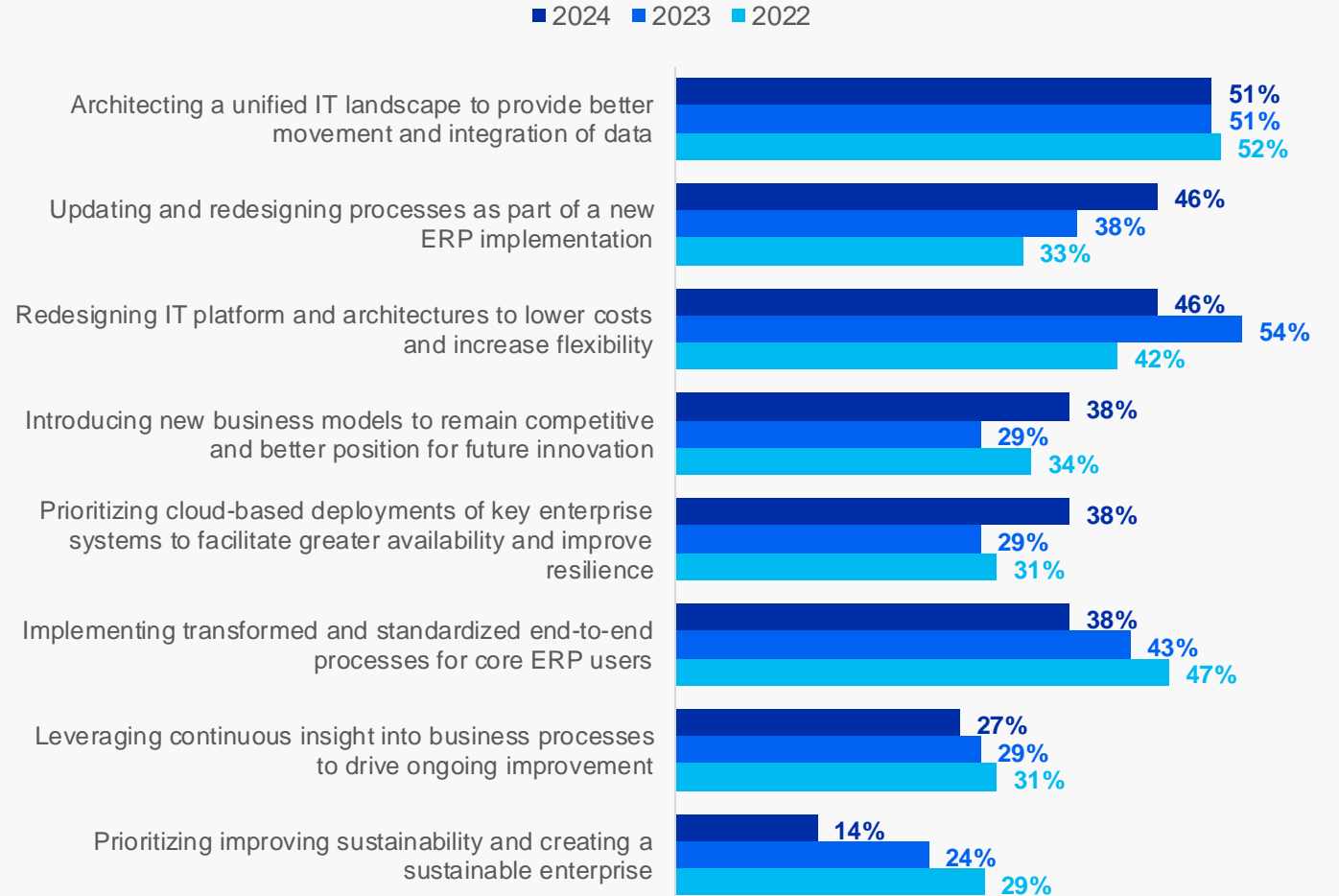- 11%
- 14%
- 15%

8

To support the need to update, improve, and re-engineer business processes, organizations are focused on their platform and landscape initiatives that will support this. However, even though updating processes is important, the priority continues to be data movement and integration. This is vital to any innovation platform.

Organizations must prioritize data and integration as part of any plans around innovation and process redesign.

Actions Taken to Support ERP and Innovation Strategies

■ 2024 ■ 2023 ■ 2022

Architecting a unified IT landscape to provide better movement and integration of data
- 51%
- 51%
- 52%

Updating and redesigning processes as part of a new ERP implementation
- 46%
- 38%
- 33%

Redesigning IT platform and architectures to lower costs and increase flexibility
- 46%
- 54%
- 42%

Introducing new business models to remain competitive and better position for future innovation
- 38%
- 29%
- 34%

Prioritizing cloud-based deployments of key enterprise systems to facilitate greater availability and improve resilience
- 38%
- 29%
- 31%

Implementing transformed and standardized end-to-end processes for core ERP users
- 38%
- 43%
- 47%

Leveraging continuous insight into business processes to drive ongoing improvement
- 27%
- 29%
- 31%

Prioritizing improving sustainability and creating a sustainable enterprise
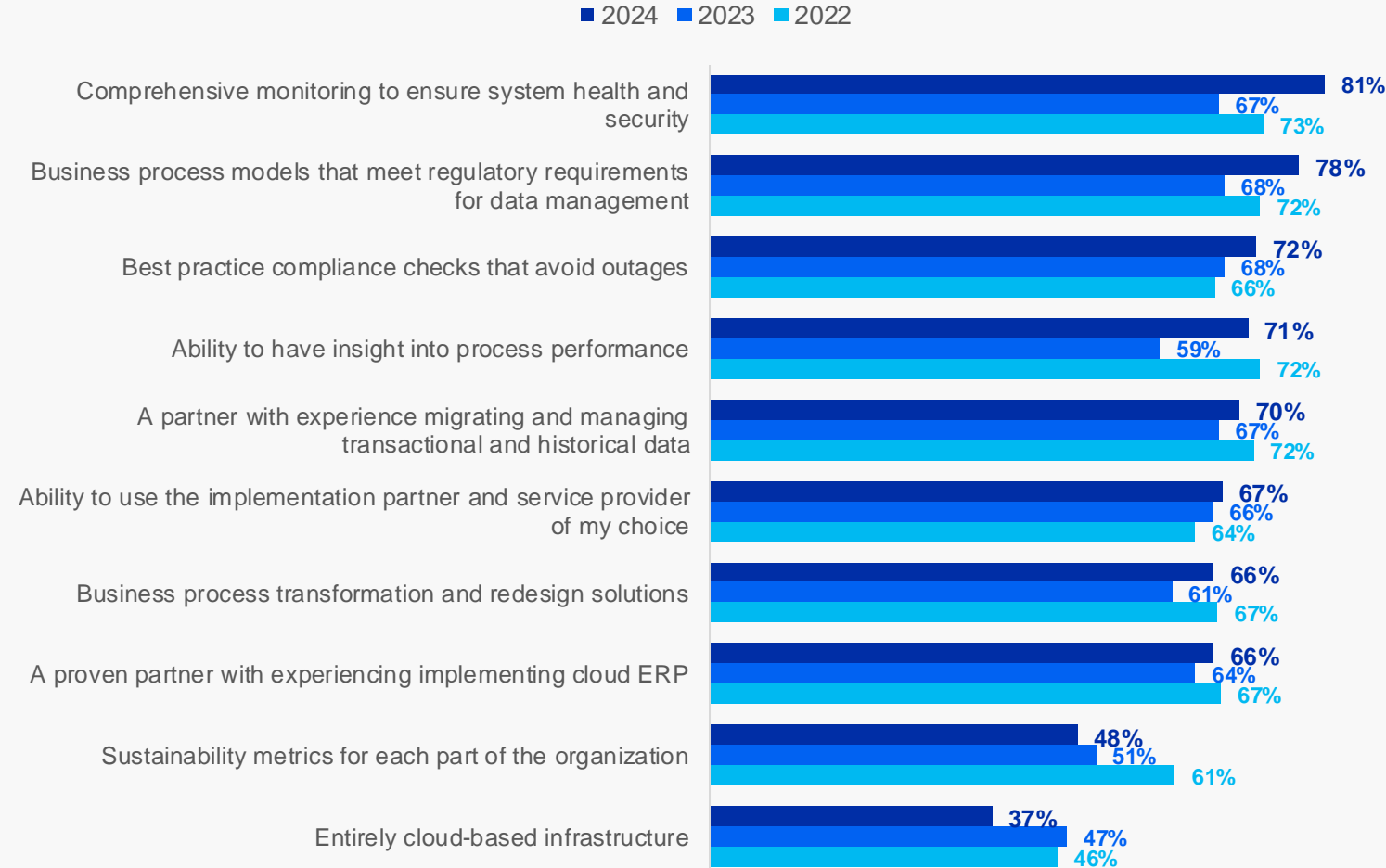- 14%
- 24%
- 29%

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No matter what platforms are implemented, keeping them online and available is critical for businesses. This is why respondents emphasized system monitoring and best practice compliance checks that avoid outages.

Platforms like those offered through RISE with SAP can help provide greater resilience, but it is still incumbent on organizations to put their own systems in place to avoid potential outages.

Requirements for ERP and Innovation Strategies

■ 2024 ■ 2023 ■ 2022

Comprehensive monitoring to ensure system health and security
- 2024: 81%
- 2023: 67%
- 2022: 73%

Business process models that meet regulatory requirements for data management
- 2024: 78%
- 2023: 68%
- 2022: 72%

Best practice compliance checks that avoid outages
- 2024: 72%
- 2023: 68%
- 2022: 66%

Ability to have insight into process performance
- 2024: 71%
- 2023: 59%
- 2022: 72%

A partner with experience migrating and managing transactional and historical data
- 2024: 70%
- 2023: 67%
- 2022: 72%

Ability to use the implementation partner and service provider of my choice
- 2024: 67%
- 2023: 66%
- 2022: 64%

Business process transformation and redesign solutions
- 2024: 66%
- 2023: 61%
- 2022: 67%

A proven partner with experiencing implementing cloud ERP
- 2024: 66%
- 2023: 64%
- 2022: 67%

Sustainability metrics for each part of the organization
- 2024: 48%
- 2023: 51%
- 2022: 61%

Entirely cloud-based infrastructure
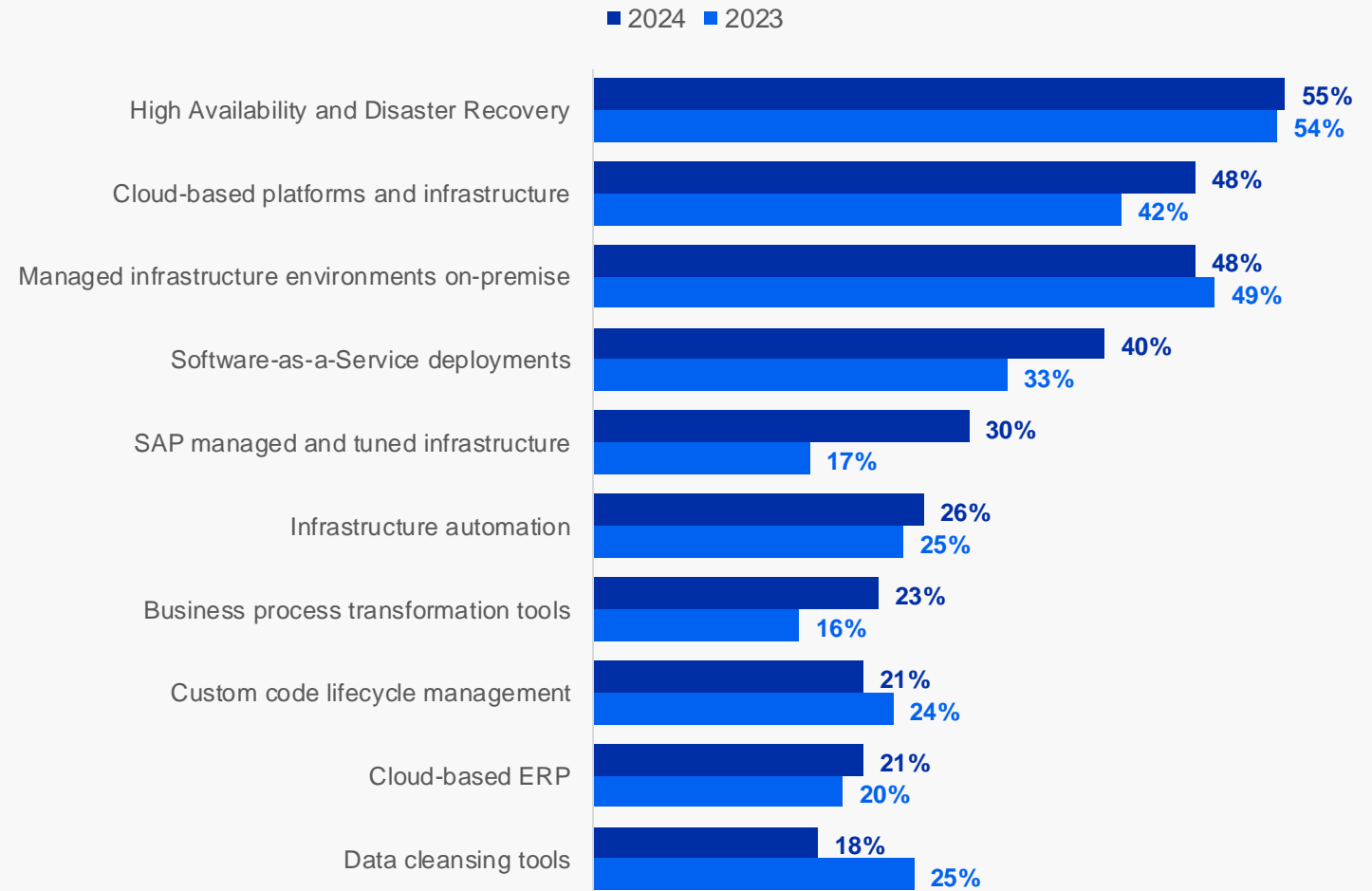- 2024: 37%
- 2023: 47%
- 2022: 46%

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The focus on resilience is evident in the technologies powering ERP and innovation platforms. High availability and disaster recovery capabilities play a crucial role and are important for organizations moving workloads to the cloud, using managed infrastructure environments, and SaaS solutions.

Incorporating these capabilities into future technology plans is important for establishing any platform for innovation.
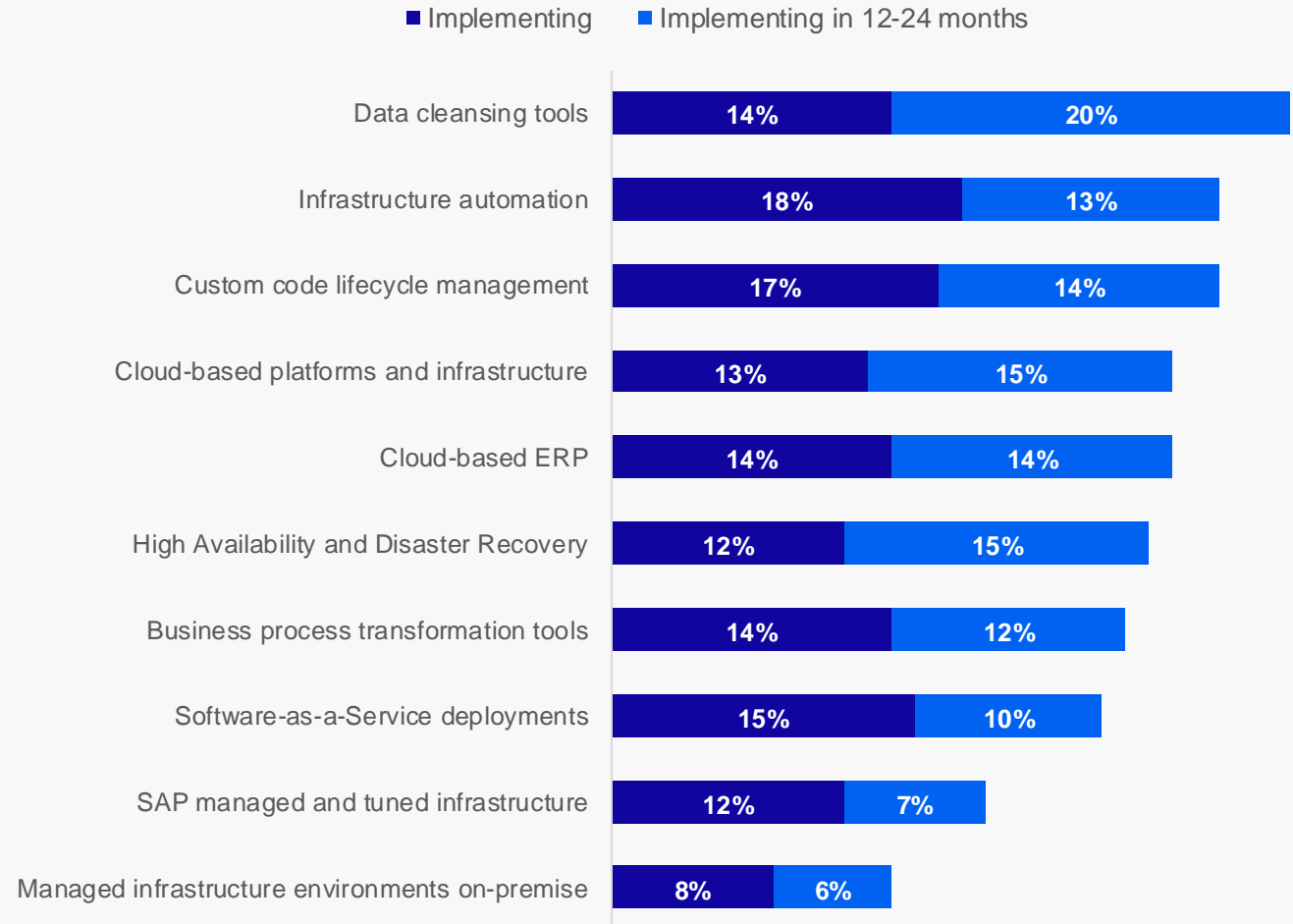
Technologies Being Used for ERP and Innovation

■ 2024 ■ 2023

Technology	2024	2023
High Availability and Disaster Recovery	55%	54%
Cloud-based platforms and infrastructure	48%	42%
Managed infrastructure environments on-premise	48%	49%
Software-as-a-Service deployments	40%	33%
SAP managed and tuned infrastructure	30%	17%
Infrastructure automation	26%	25%
Business process transformation tools	23%	16%
Custom code lifecycle management	21%	24%
Cloud-based ERP	21%	20%
Data cleansing tools	18%	25%

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Following the strategy for architecting a unified IT landscape for better movement and integration of data, respondents are prioritizing the implementation of data cleansing tools as part of their ERP and innovation plans. This will not only help with preparation for a new ERP deployment, but will also provide a foundation for AI use.

Organizations should focus on implementing technologies that will help their existing ERP transitions as well as in preparing for the future.

Technologies Being Implemented for ERP and Innovation

■ Implementing   ■ Implementing in 12-24 months

Technology	Implementing	Implementing in 12-24 months
Data cleansing tools	14%	20%
Infrastructure automation	18%	13%
Custom code lifecycle management	17%	14%
Cloud-based platforms and infrastructure	13%	15%
Cloud-based ERP	14%	14%
High Availability and Disaster Recovery	12%	15%
Business process transformation tools	14%	12%
Software-as-a-Service deployments	15%	10%
SAP managed and tuned infrastructure	12%	7%
Managed infrastructure environments on-premise	8%	6%

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If organizations are to update and improve business processes, they need technologies that will help achieve this. This explains why business process transformation tools are at the top of the list of technologies being evaluated for future use. But beyond this, infrastructure automation is also an important need as organizations look to reduce administrative overhead and better support faster deployment of systems and solutions.
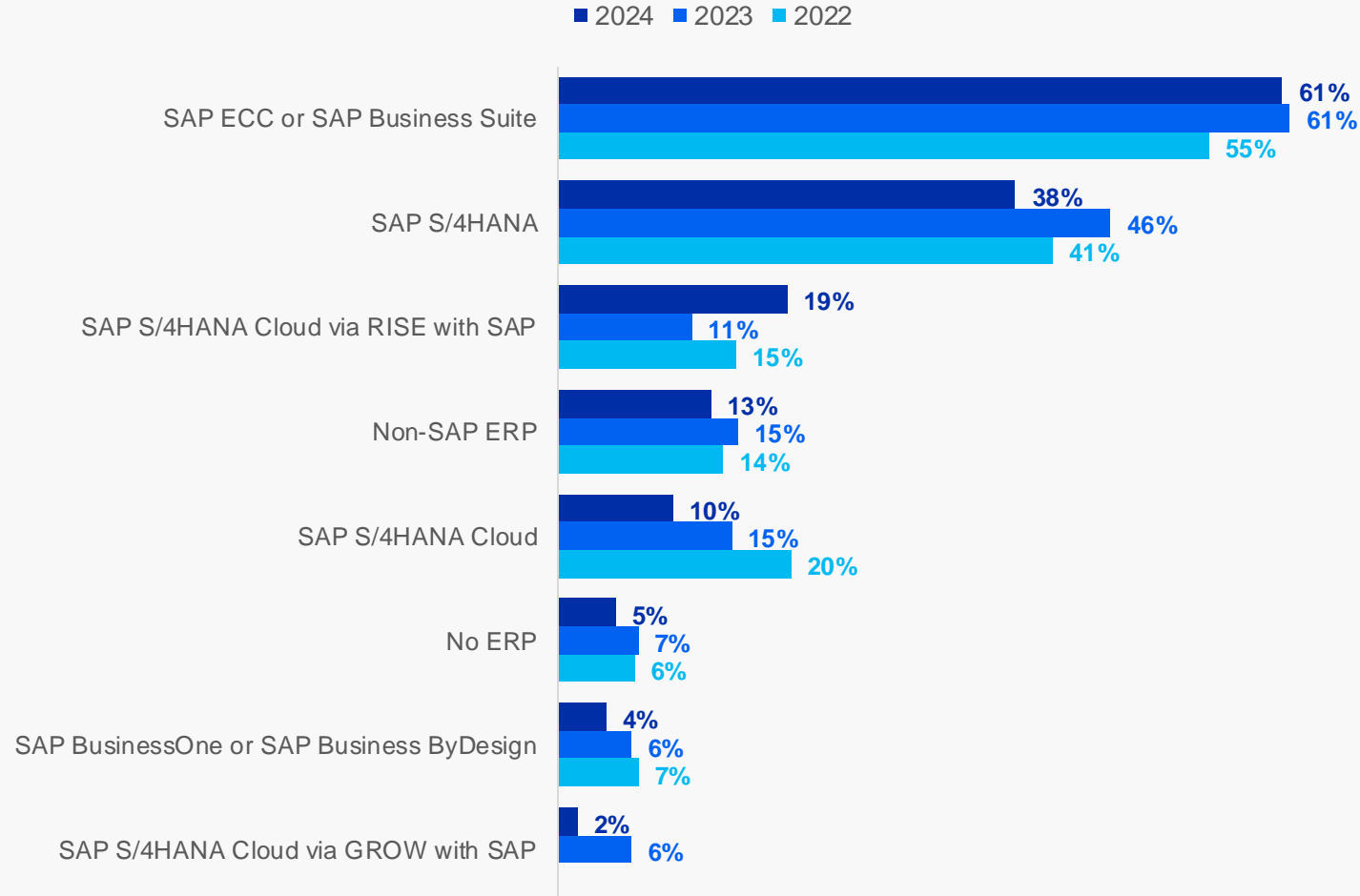
Technologies Being Evaluated for ERP and Innovation

Technology	Percentage
Business process transformation tools	33%
Infrastructure automation	32%
Data cleansing tools	29%
SAP managed and tuned infrastructure	27%
Cloud-based ERP	27%
Custom code lifecycle management	25%
Software-as-a-Service deployments	20%
High Availability and Disaster Recovery	15%
Cloud-based platforms and infrastructure	14%
Managed infrastructure environments on-premise	10%

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The proportion of organizations using SAP S/4HANA Cloud via RISE with SAP continues to grow. However, with little change in those reporting using SAP ECC or SAP Business Suite, the growth may have come primarily from those switching from SAP S/4HANA or older SAP S/4HANA Cloud licensing arrangements.

2027 is fast approaching and those still using older SAP ERP systems must ensure plans are in place to support their future ERP needs.

ERP System Currently Being Used

■ 2024 ■ 2023 ■ 2022

SAP ECC or SAP Business Suite
61%
61%
55%

SAP S/4HANA
38%
46%
41%

SAP S/4HANA Cloud via RISE with SAP
19%
11%
15%

Non-SAP ERP
13%
15%
14%

SAP S/4HANA Cloud
10%
15%
20%

No ERP
5%
7%
6%

SAP BusinessOne or SAP Business ByDesign
4%
6%
7%

SAP S/4HANA Cloud via GROW with SAP
2%
6%

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Generative AI capabilities available to organizations licensing RISE with SAP Premium Plus had only a minor impact on thinking about RISE with SAP last year. This year that changed significantly. Four in ten respondents now report that their perspective on RISE with SAP has changed specifically because of generative AI capabilities, and only half as many are looking for more information on the topic.

Has the Fact that Some Generative AI Capabilities Are Only Available to Cloud ERP Customers Changed Your Thinking on RISE with SAP?

■ 2023 ■ 2024

	Yes	No	Need more information
2023	14%	43%	43%
2024	42%	39%	19%

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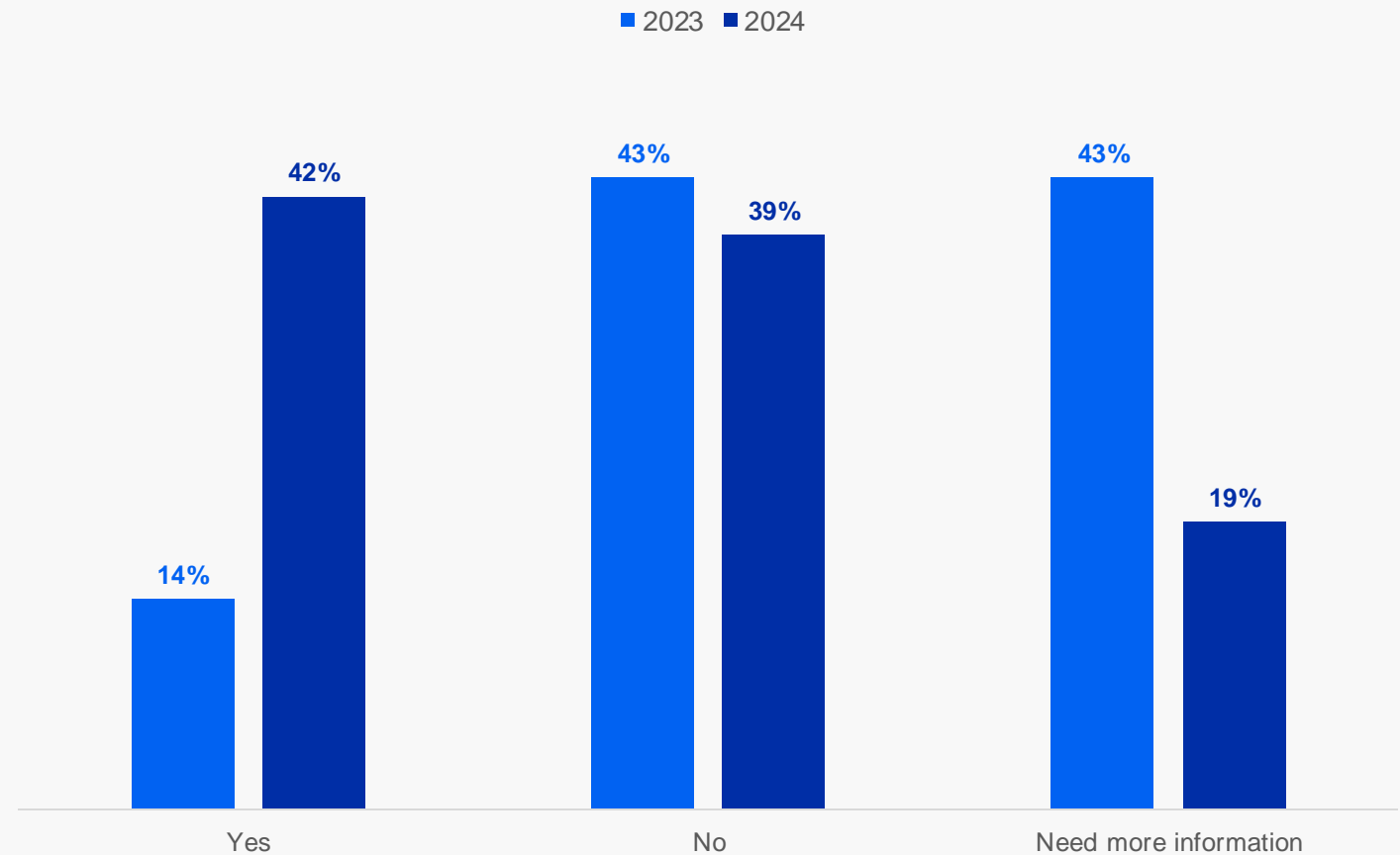
15

Only one in ten respondents report that they were unaware of ERP Clean Core strategy, a significant reduction from three in ten from last year. In addition, twice as many respondents reported their organization actively using a clean core strategy in a current project, potentially the move to SAP S/4HANA or RISE with SAP.

This change reflects active engagement by organizations looking to remediate or update existing customizations in an effort to create a clean core in their ERP systems.

Awareness of Clean Core Strategy

■ 2023 ■ 2024

	2023	2024
Know about it and plan to use it in a future project	39%	39%
Know about it and am actively using it in a current project	18%	36%
Know about it but do not plan to use it	14%	13%
Do not know what ERP Clean Core Strategy is	29%	12%

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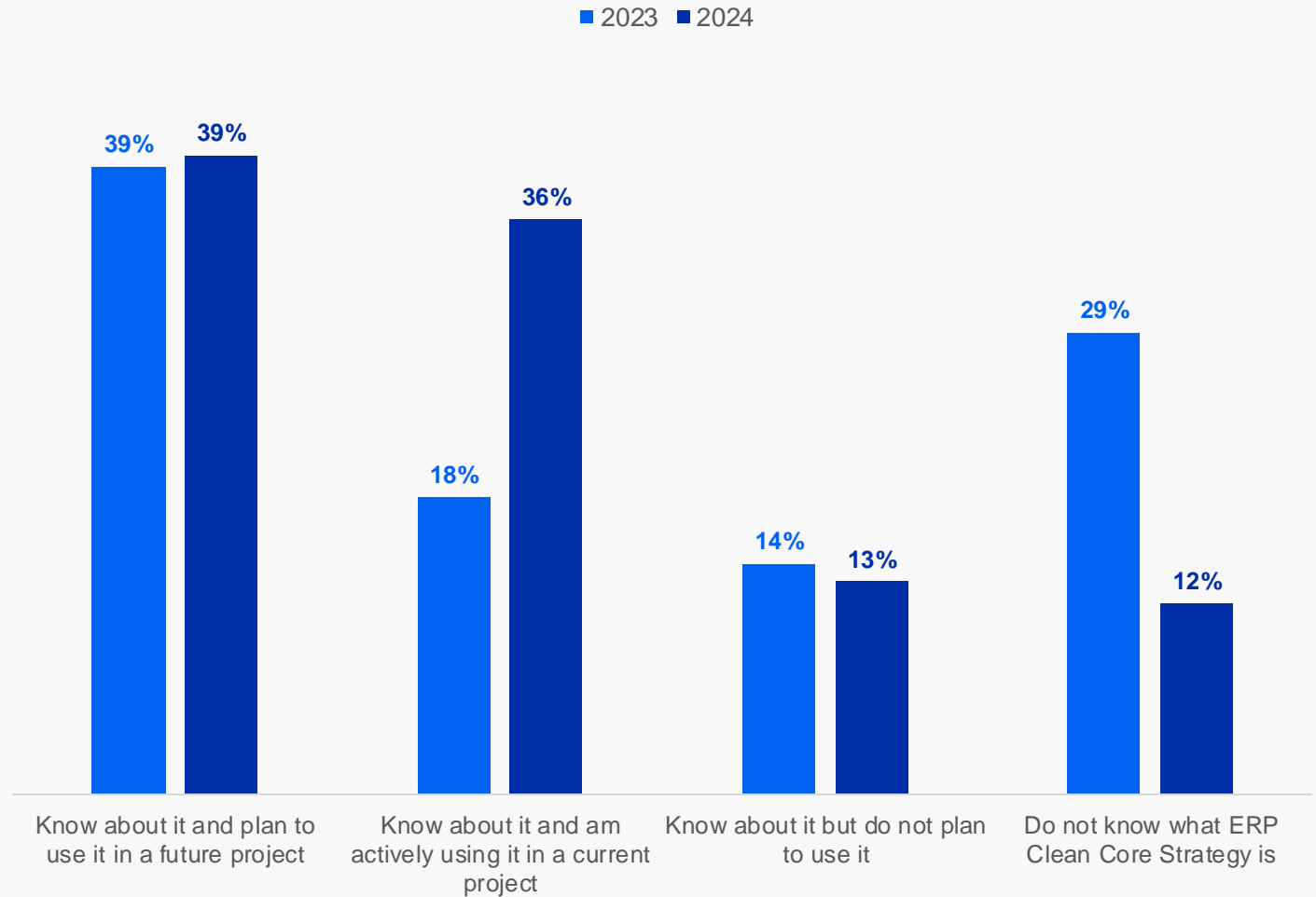
16

While more organizations are actively using clean core strategy, there has been little change in how respondents believe it is realistic to follow standardized guidelines for all elements of the core.

Using little to no customization, supported extensibility options, and keeping on the latest software version requires significant effort, something in which relatively few organizations are willing to invest.

Realism of Deploying a System Which Only Follows Standardized Guidelines for all Elements of the Core

■ 2023 ■ 2024

	Very realistic	Realistic	Moderately realistic	Somewhat unrealistic	Unrealistic
2023	5%	28%	35%	24%	9%
2024	7%	24%	37%	21%	12%

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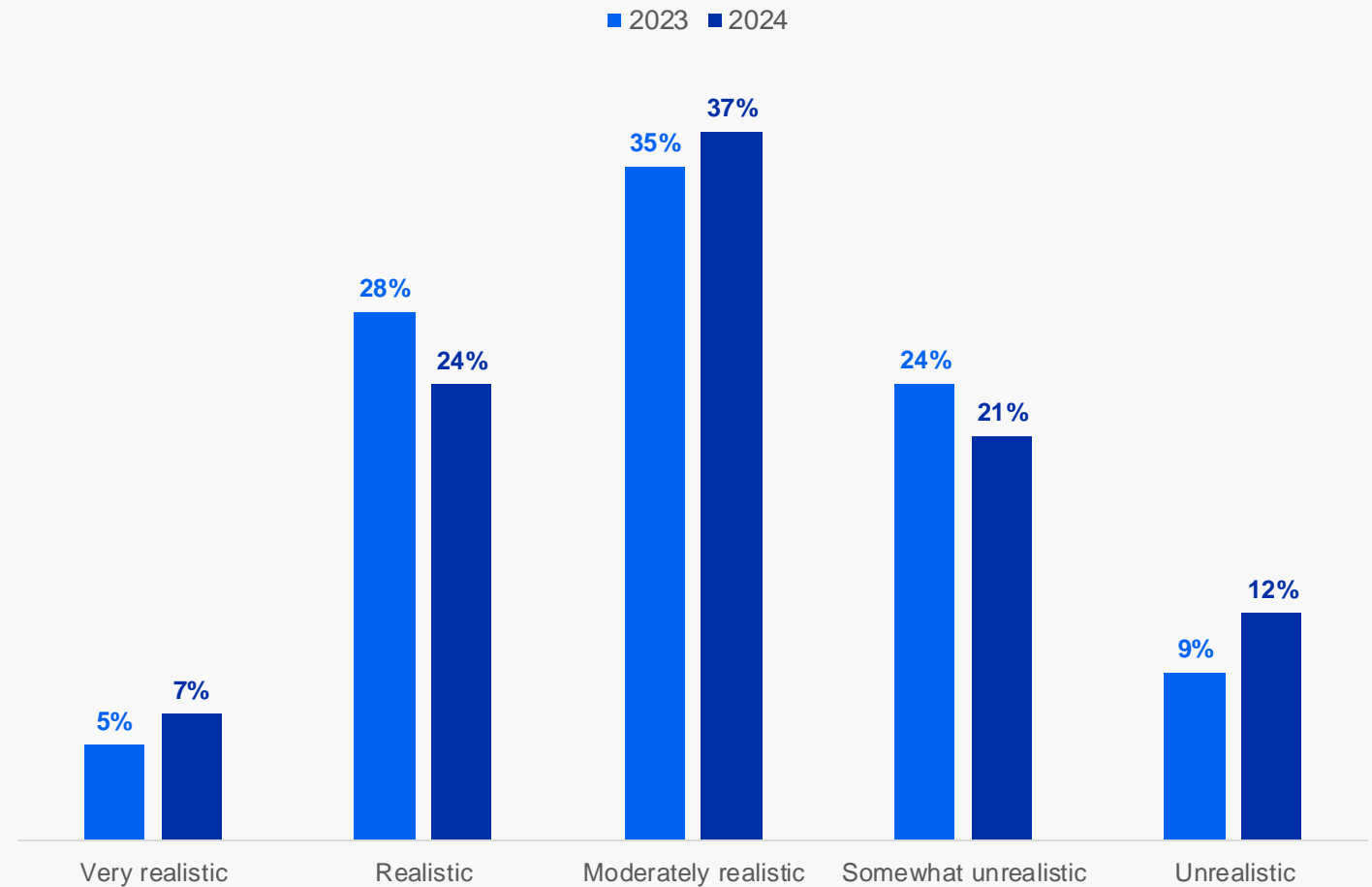
17

Cloud use for SAP workloads continues to steadily increase. Since many of these workloads are running on private cloud providers, or a combination of environments, organizations must ensure that they are prepared for the additional complexities involved in managing, operating, and securing such workloads.

This is especially true for integration points and areas where data is moving between cloud environments or cloud and on-premise solutions.
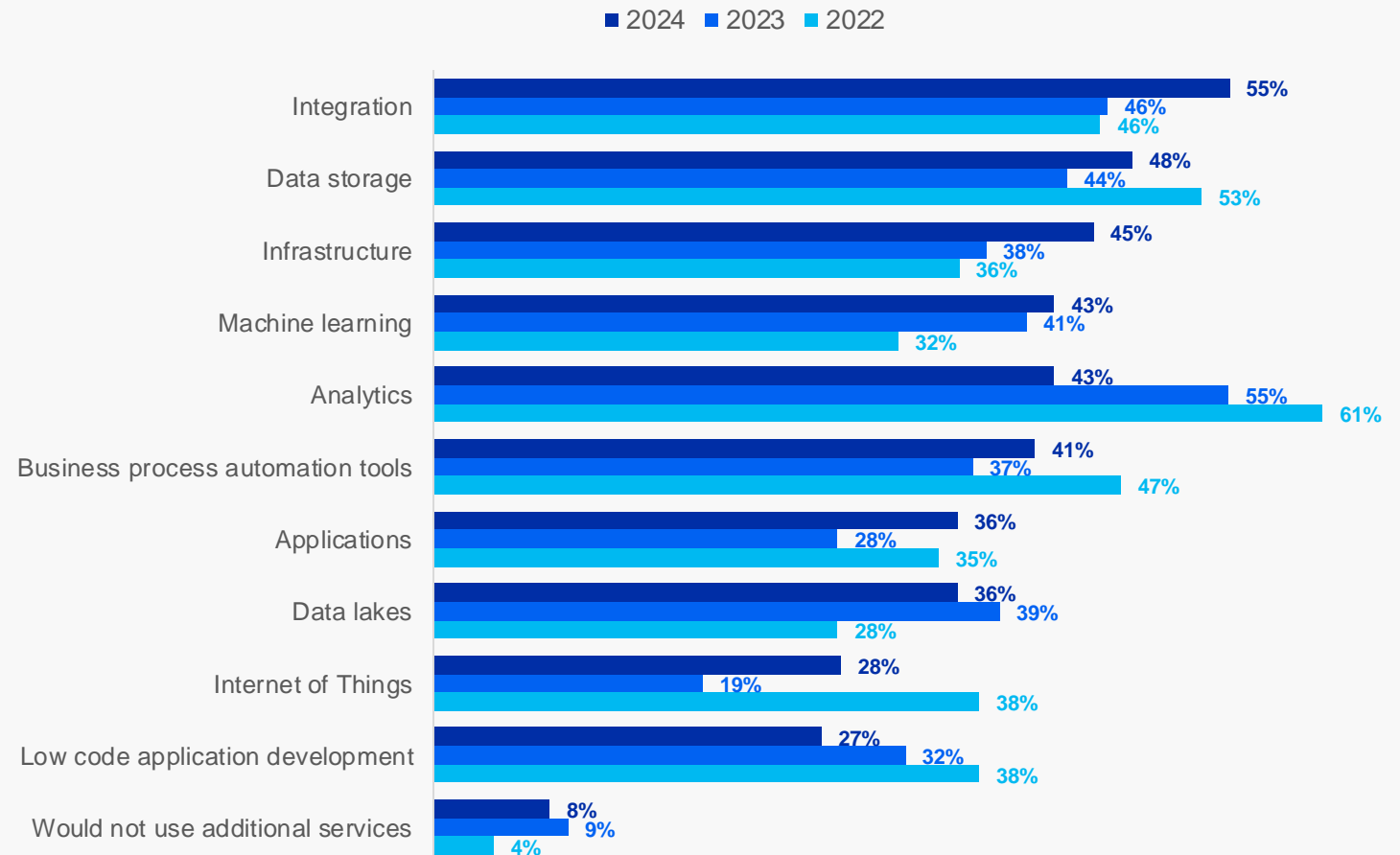
Cloud Use of SAP Workloads

■ 2022 ■ 2023 ■ 2024

Category	2022	2023	2024
Yes, using hyperscalers or public cloud providers	21%	22%	22%
Yes, using private cloud providers or hosting partners	25%	21%	20%
Yes, using a combination of hyperscalers and private cloud	11%	16%	20%
Yes, using hybrid models	25%	13%	18%
No	19%	24%	20%

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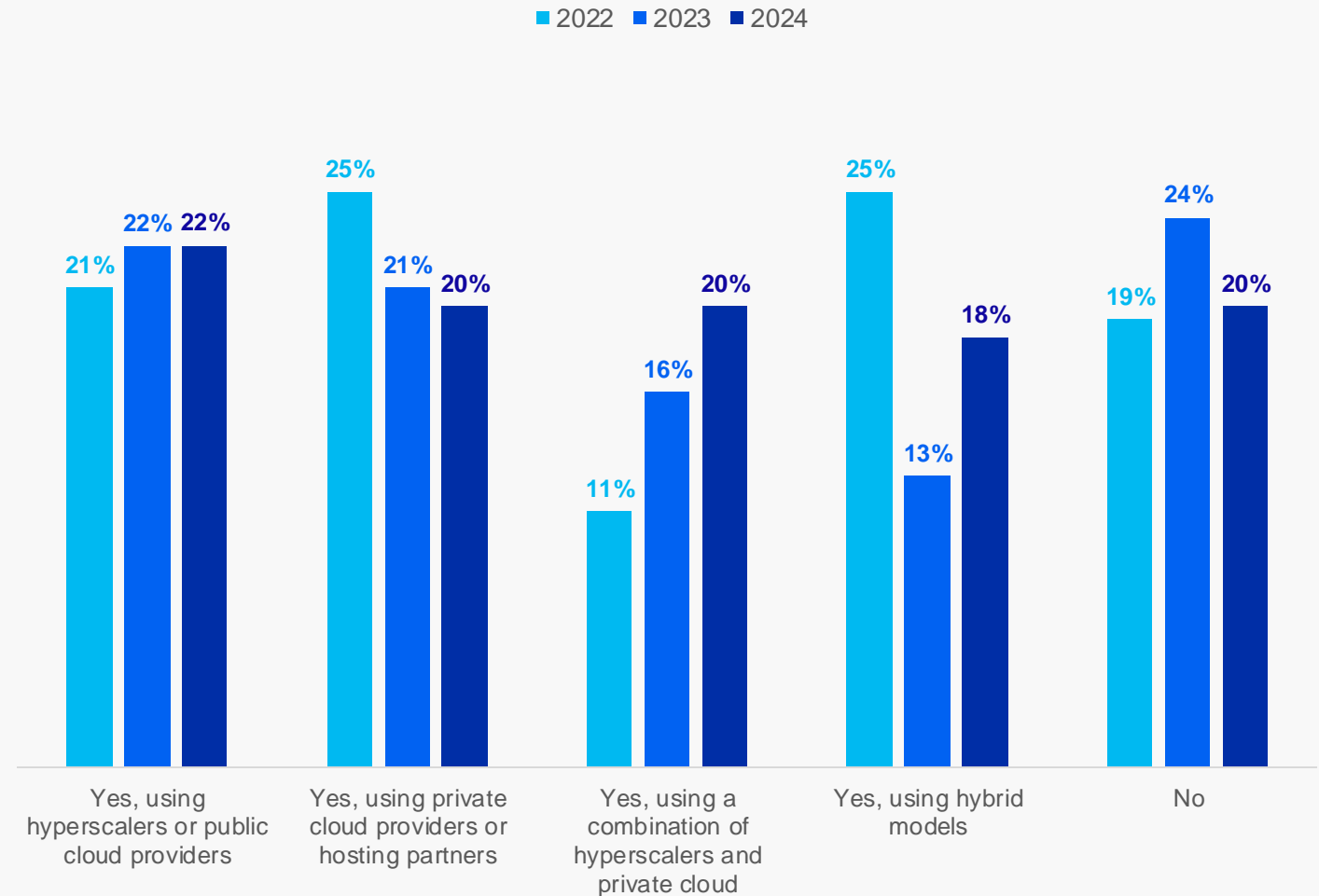
18

Given the increased need for integration as more workloads move to the cloud, it is no surprise that integration and data storage are the preferred additional services to be leveraged from a cloud provider after implementing RISE with SAP. Also included are infrastructure services because connecting them directly to RISE with SAP can save both cost and complexity by avoiding data movement between SAP S/4HANA Cloud and other environments.

Likely Additional Services Leveraged from Cloud Provider After Implementing RISE with SAP

■ 2024 ■ 2023 ■ 2022

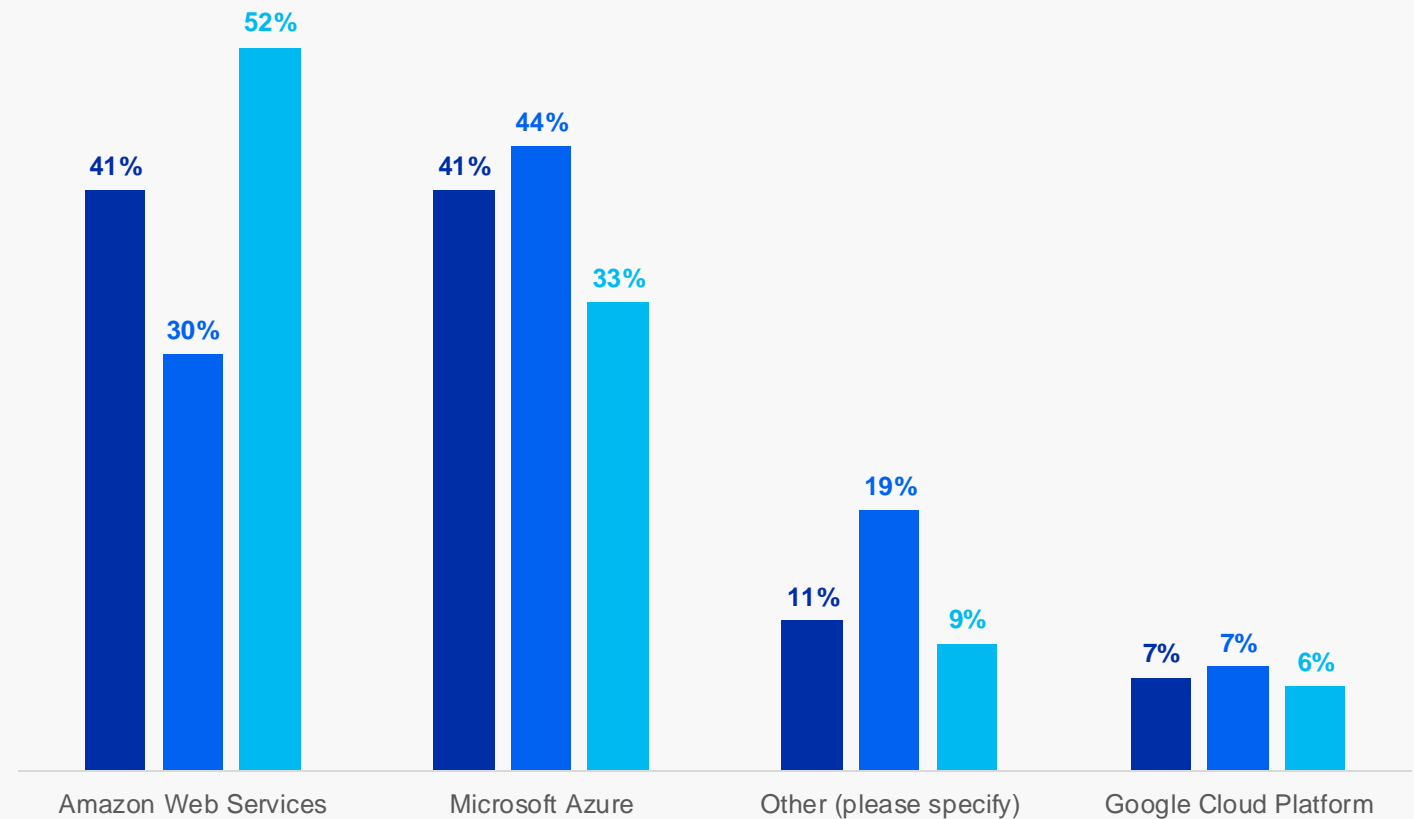| Service	2024	2023	2022
Integration	55%	46%	46%
Data storage	48%	44%	53%
Infrastructure	45%	38%	36%
Machine learning	43%	41%	32%
Analytics	43%	55%	61%
Business process automation tools	41%	37%	47%
Applications	36%	28%	35%
Data lakes	36%	39%	28%
Internet of Things	28%	19%	38%
Low code application development	27%	32%	38%
Would not use additional services	8%	9%	4%

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While larger organizations continue to select Microsoft Azure as their preferred cloud service provider for RISE with SAP, organizations with revenues below $2 billion are more likely to use Amazon Web Services.

However, organizations need to consider the additional benefits that a cloud service provider can offer beyond support for the initial RISE with SAP deployment.
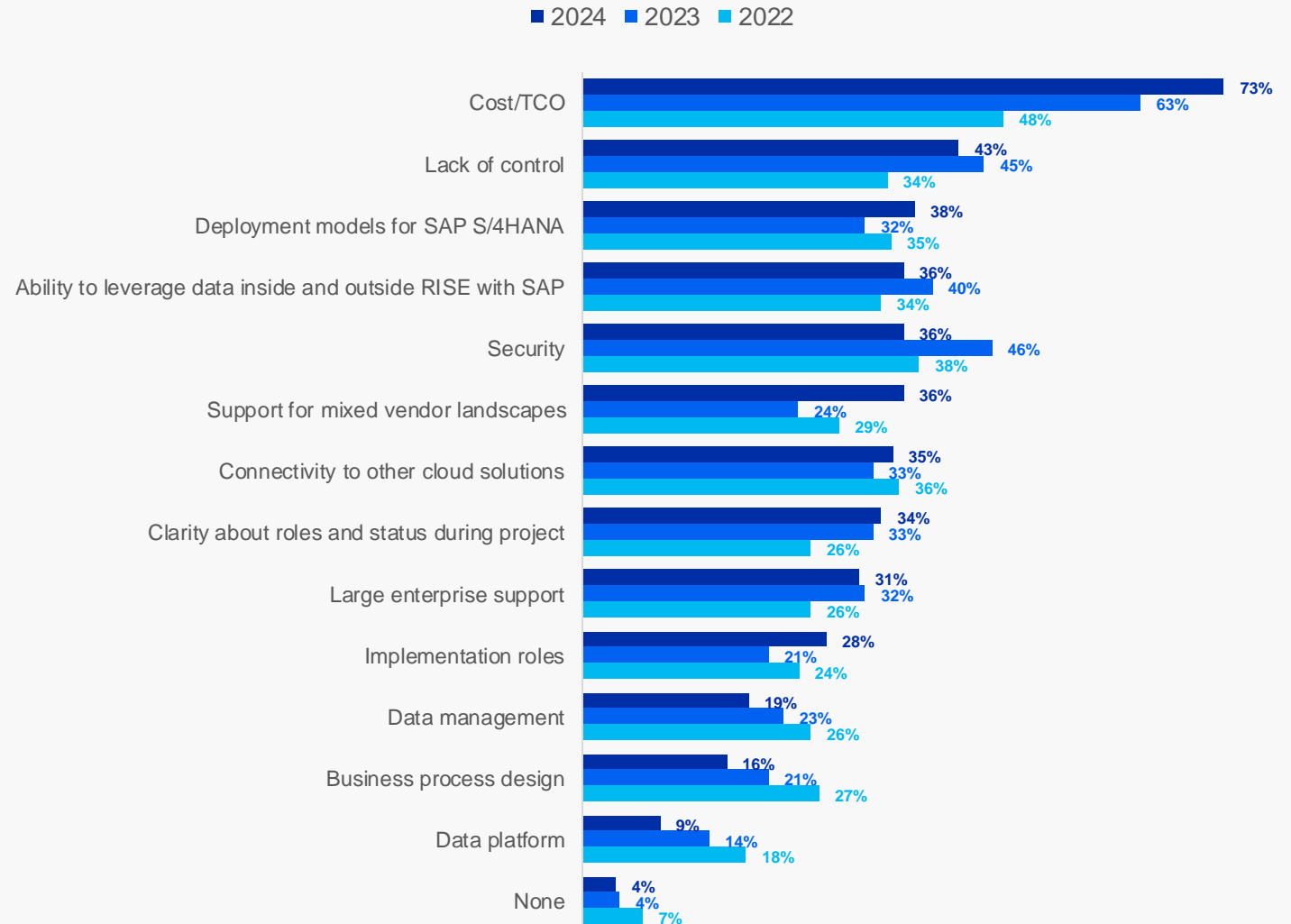
Likely Cloud Service Provider for RISE with SAP

■ All Respondents ■ Large Organizations ■ Smaller Organizations

	All Respondents	Large Organizations	Smaller Organizations
Amazon Web Services	41%	30%	52%
Microsoft Azure	41%	44%	33%
Other (please specify)	11%	19%	9%
Google Cloud Platform	7%	7%	6%

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Although a growing number of organizations are adopting RISE with SAP, cost is the biggest concern for nearly three in four respondents. Over the past two years, this concern has grown significantly as SAP has introduced new packaging options and phased out the pricing that existed for early RISE with SAP adopters.

Given the complexities of contract negotiation with SAP and the high cost associated with the offering, organizations need to understand more about RISE with SAP if they want to minimize cost.

Areas of Concern Regarding RISE with SAP

■ 2024 ■ 2023 ■ 2022

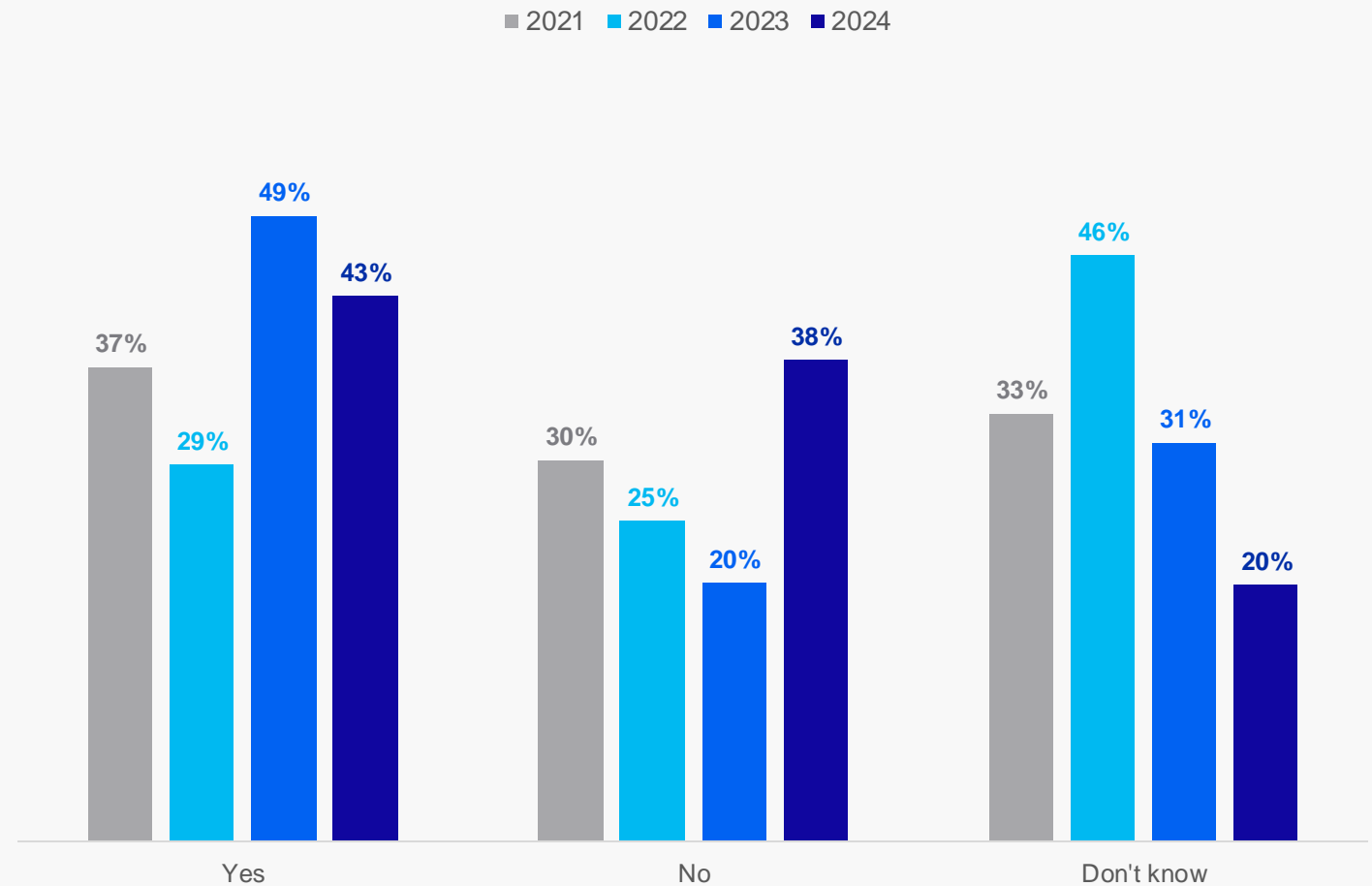| Category	2024	2023	2022
Cost/TCO	73%	63%	48%
Lack of control	43%	45%	34%
Deployment models for SAP S/4HANA	38%	32%	35%
Ability to leverage data inside and outside RISE with SAP	36%	40%	34%
Security	36%	46%	38%
Support for mixed vendor landscapes	36%	24%	29%
Connectivity to other cloud solutions	35%	33%	36%
Clarity about roles and status during project	34%	33%	26%
Large enterprise support	31%	32%	26%
Implementation roles	28%	21%	24%
Data management	19%	23%	26%
Business process design	16%	21%	27%
Data platform	9%	14%	18%
None	4%	4%	7%

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This year, nearly twice as many respondents compared to last year expressed confidence that using RISE with SAP does not restrict their choices when it comes to other enterprise solutions.

This shows that organizations are considering integrating RISE with SAP with other enterprise systems. However, SAP still has work to do since four in ten respondents still believe that their choices will be limited if they were to use RISE with SAP.

Would Using RISE with SAP Limit Choices Around Other Enterprise Solutions?

■ 2021 ■ 2022 ■ 2023 ■ 2024

	Yes	No	Don't know
2021	37%	30%	33%
2022	29%	25%	46%
2023	49%	20%	31%
2024	43%	38%	20%

THANK YOU

Robert Holland

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