

RESEARCH
REPORT



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RISE with SAP

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Executive Summary

SAP HAS CONTINUED TO REFINE THE MESSAGING AROUND RISE WITH SAP

in 2024, positioning it as a platform for innovation, one that continues to play a key role in SAP's cloud ERP transformation strategy for its customers. Additionally, SAP is now providing embedded AI scenarios that will allow organizations to accelerate processes and optimize their decision-making in RISE with SAP as SAP's generative AI assistant Joule will be available in both SAP S/4HANA Cloud Public Edition and SAP S/4HANA Cloud Private Edition. SAP also seems to be looking towards a future where most customers are using public cloud for the cloud ERP deployments though this is still some way off.



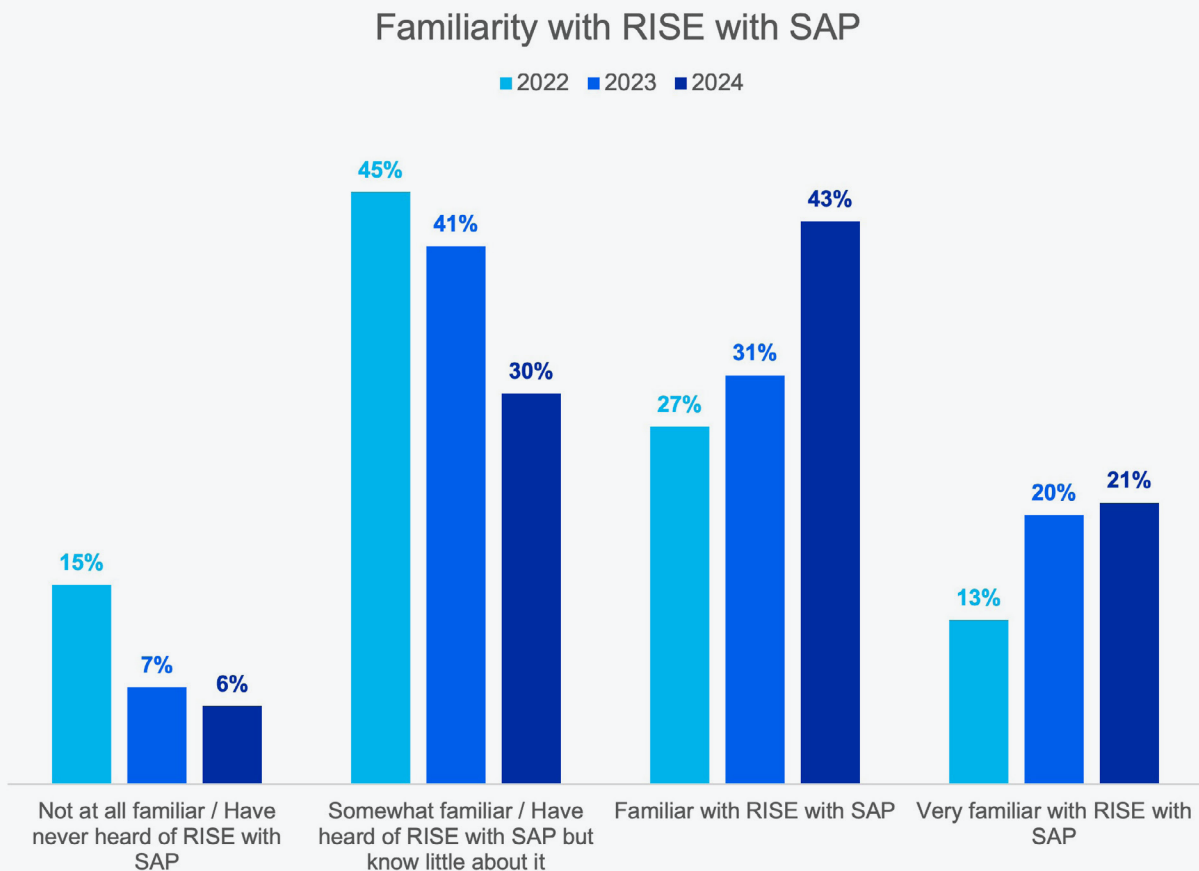
“Our organization has been using SAP for over two decades and we were looking for a solution that would help us support the future needs of our business. In evaluating RISE with SAP we explored both the total cost and the functionality it provided and saw significant benefits to us from the cost perspective. We were already considering SAP S/4HANA when we chose to move to RISE with SAP, so it made sense to make that move within the RISE with SAP framework. Most importantly we wanted to ensure that the move reduced both future risks as well as the overall cost of the transformation that we wanted to achieve.”

VICE PRESIDENT, IT, GLOBAL RETAILER

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, SAPinsider surveyed 125 members of its community between August and November 2024. Survey data reveals an unambiguous point: familiarity with RISE with SAP is growing. While the proportion of respondents "very familiar" with RISE with SAP was almost same in 2024 and 2023 (**Figure 1**), a significant growth is seen in those reporting familiarity with the offering. This is supported by a corresponding decline in the number of respondents reporting they are "somewhat familiar" with RISE with SAP.

How an organization's size affects their familiarity with RISE with SAP is also one of the most notable findings of the study. For example, nearly twice as many respondents from organizations with annual revenues below \$2 billion report that they are not familiar with RISE with SAP. And only 54% of respondents from smaller organizations report being familiar or very familiar with RISE with SAP, which is significantly less than the 64% of all survey respondents. On the other hand, 86% of respondents from organizations with revenues over \$2 billion annually report that they are familiar or very familiar with RISE with SAP. The increased knowledge of RISE with SAP among respondents from large organizations shows that these organizations are dedicating more time to learning about the offering.

FIGURE 1



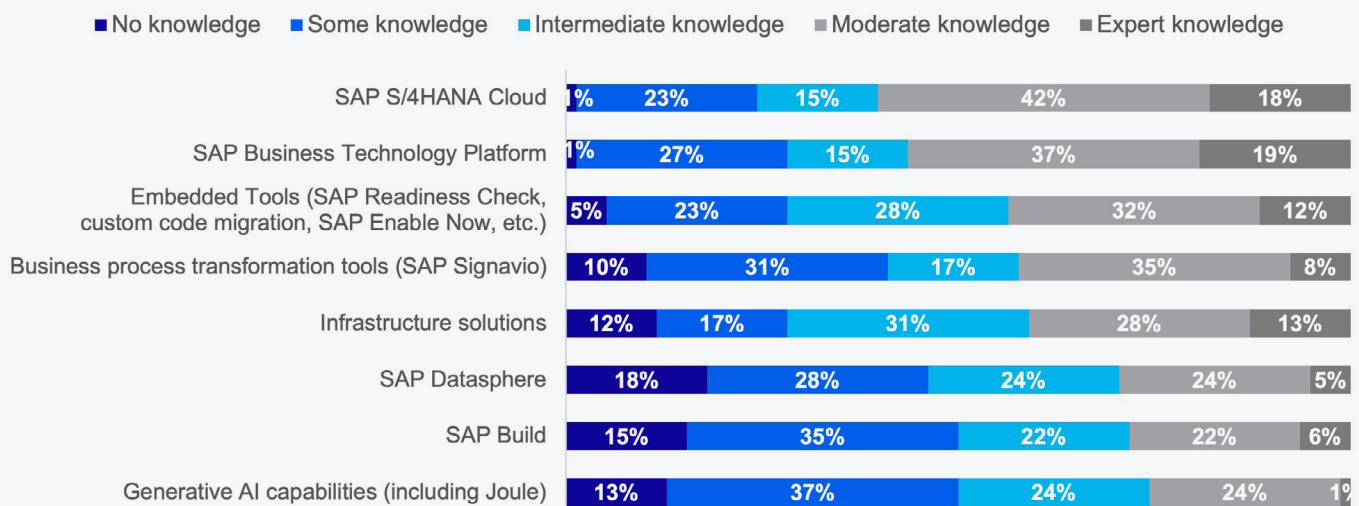


“We are in the process of evaluating RISE with SAP but are concerned that it will increase our TCO over the first three to four years before we’ll start seeing the benefits of the offering. However, we are currently using multiple tools in our organization to do similar things and want to standardize to help with both skills and managing costs. This is why we are looking at RISE with SAP and where we believe it will make a difference.”

IT MANAGER, MANUFACTURING COMPANY

FIGURE 2

How much do you know about the components of RISE with SAP?



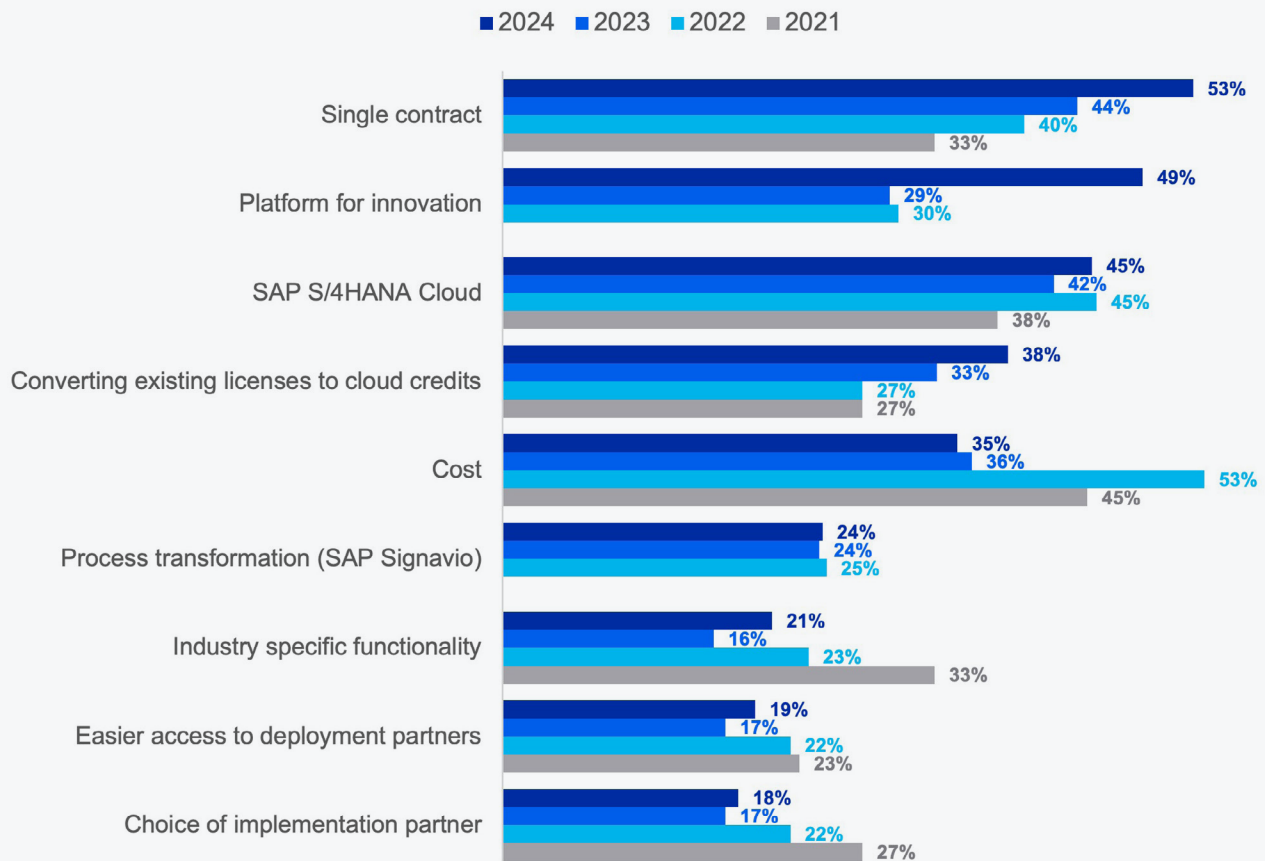
Not surprisingly, respondents are least familiar with SAP Build and Joule. This is because these are relatively new offerings (2023) and unless organizations were using SAP SuccessFactors, there were only limited ways in which Joule could be accessed for much of the year. It was initially offered to early adopters via SAP S/4HANA Cloud Public Edition, but this did not benefit RISE with SAP customers. It is only in the last quarter of 2024 that Joule was included with RISE with SAP through SAP S/4HANA 2023 FPS02 deployment. And this will still only be for RISE with SAP customers with the premium plus packaging option. Similarly, although SAP's messaging around SAP Build has been strong this year and adoption is growing within SAP BTP, the offering is less known to the broader ERP

community. But this is likely to change as SAP announced access to new ABAP development capabilities within SAP Build and Joule integration for ABAP.

Last year, the single contract offered for RISE with SAP became the biggest benefit to respondent organizations which significantly increased this year (**Figure 3**). This growth in perceived value demonstrates that many organizations see the single contract with SAP as a major benefit when compared to negotiating for multiple contracts with multiple providers in more traditional ERP deployments. Notably, nearly twice as many respondents now view RISE with SAP as a platform for innovation—a significant potential benefit, and this aligns with SAP's marketing efforts over the past year.

FIGURE 3

What about RISE with SAP potentially provides the most benefit?





“We evaluated of RISE with SAP but do not see a value for us at this time. Instead, we are planning on deploying SAP S/4HANA on our own Microsoft Azure tenant where we are already running other solutions. Our biggest concerns with RISE with SAP were the potential for increased cost and conversations we had with other organizations about the quality of the support that they were receiving.”

SAP TEAM LEAD, ENERGY COMPANY

Additionally, while most potential benefits saw at least some growth no matter how small, it not true for cost which saw a slight decrease. In fact, when asking respondents about their biggest area of concern when it came to RISE with SAP, cost was at the top of that list. And the proportion of respondents indicating that was the case grew from 63% last year to 73% this year. Despite the significant benefits of RISE with SAP, concerns about the long-term costs associated with transitioning to RISE with SAP persist. Given the changes in packaging and contracts since the offering was announced, this concern is justified.

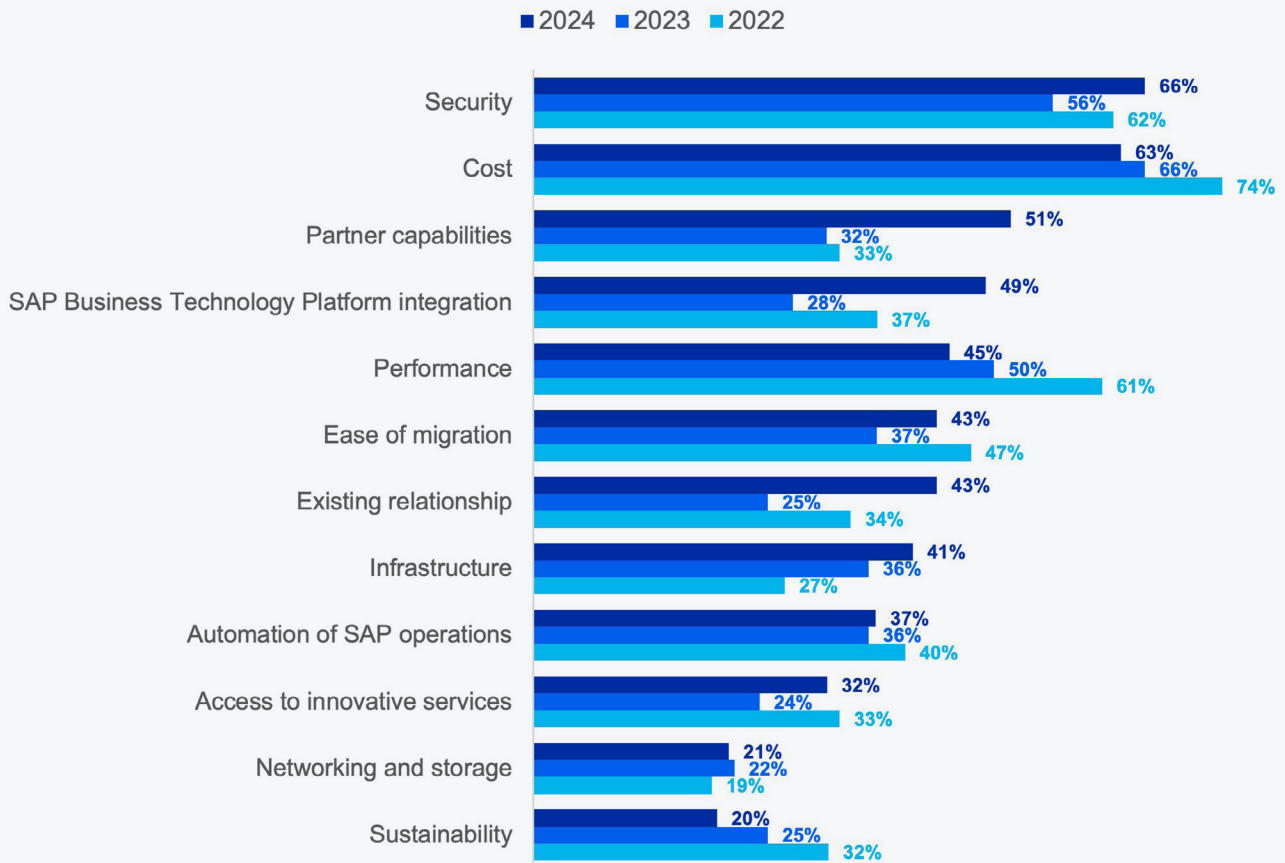
There are also slight differences in how respondents from organizations of different sizes view these potential benefits, though these are not particularly significant. For example, the top three potential benefits for all respondents were the single contract, platform for innovation, and SAP S/4HANA Cloud as seen in **Figure 3**. For larger organizations, the top three benefits were the platform for innovation (56%), single contract (48%), and cost (37%). Smaller organizations focused on the single contract (61%), SAP S/4HANA Cloud (58%), and the platform for innovation (48%). This reflects that smaller organizations are eager to move to cloud ERP to accrue the infrastructure and management benefits since they have smaller internal teams and cloud environments can reduce administrative costs. Larger organizations, on the other hand, are looking for a platform that facilitates innovation.

For the last two years, costs remained the most important factor when it came to selecting a cloud provider for RISE with SAP, but this year that was surpassed by a need for security (**Figure 4**). This reflects an increased need to secure systems and data, particularly when moving enterprise workloads to the cloud. While SAP has established detailed security responsibilities when using RISE with SAP, this needs to expand to include security capabilities of cloud service providers. To ensure better outcomes for customers, it is crucial for cloud service providers to offer clear, detailed information about their security capabilities upfront.

What was notable this year was the growth in respondents reporting “partner capabilities” as one of the most important factors when choosing a cloud provider for RISE with SAP. This was more important for respondents from smaller organizations (58%) compared to those from larger organizations (41%) and represented a big jump from previous years. This could potentially be related to an existing limited availability of partner resources for adopting RISE with SAP and deploying SAP S/4HANA, and the capabilities that cloud service provider partners offer. This includes application development, cloud migration, data analytics, data center modernization, data management, infrastructure, security, and many more.

FIGURE 4

Most important factors when choosing a cloud provider for RISE with SAP



Additionally, respondents were also more focused on SAP BTP integration this year. Given the expanded use of SAP BTP across the ecosystem, particularly in large organizations, it is no surprise that organizations want to ensure that the cloud service provider they choose for RISE with SAP can support their future SAP BTP requirements, especially if they are using SAP BTP as part of their RISE with SAP contract. This was slightly more important for respondents from smaller organizations (48%) than large organizations (44%), but both ranked it in the top five factors impacting their choice of cloud service provider for RISE with SAP.

This year's survey also revealed the following trends:

- Twice as many respondents (36%) reported that they are actively using ERP clean core strategy in a current project when compared to last year (18%). In addition, only 12% of respondents reported not knowing what clean core strategy was compared to 29% last year. At the same time, there was a 3% increase (to 12%) in those reporting that they believed that it was unrealistic to deploy a system which followed only standardized guidelines for all elements of the core.
- Last year just 14% of respondents re-

ported that having access to generative AI capabilities limited to cloud ERP contracts had changed their thinking on RISE with SAP. This year three times as many (42%) reported that their thinking on RISE with SAP had changed because of interest in those generative AI capabilities. In addition, only 19% reported needing more information compared with 43% last year. This shows that access to generative AI capabilities in ERP systems is having a much more significant impact as organizations come to better understand those features and as SAP continues to add AI to business cases.

- In a significant jump from last year (20%), more than one in three (38%) respondents reported that they did not believe that using RISE with SAP would limit their choices around other enterprise solutions. This corresponded with a reduction in those who reported not knowing whether that would be the case (20%) as compared with last year (31%).

Required Actions

Based on the survey responses, organizations should take the following actions around before moving to the cloud:

- **Start your future ERP planning today.** The upcoming end of mainstream maintenance of core SAP Business Suite applications is rapidly approaching. While many customers may consider 2027 to be a soft deadline and the rollover to extended maintenance as inevitable, it is important to remember that the deadline for customers running SAP ECC 6.0 enhancement packages 1-5 is the end of 2025 and there is no extended maintenance available. In addition, many customers running releases of SAP S/4HANA prior to 2020 may have unknowingly moved to extended maintenance since those versions only offered five years of mainstream maintenance. This makes having future ERP plans in place vital. It is crucial for organizations to decide quickly as with limited consulting resources, delayed

decisions will affect organizations negatively.

- **Take your questions to SAP.** Over the past year, there has been a significant reduction in the number of organizations who have questions around RISE with SAP and the impact of generative AI on cloud ERP decisions. This can be attributed to SAP's active communication and engagement with its customers. If organizations have specific needs like industry or regional regulatory compliance requirements, or questions about how SAP will address the complexities of an existing landscape, organizations should share them with SAP, their deployment partners, or experts.
- **Do as much as possible to understand the cost model for RISE with SAP so that an informed decision can be made.** One of the biggest concerns respondents had about RISE with SAP was cost. Although the single contract and the innovation platform that RISE with SAP offers are significant benefits, organizations are worried about the long-term costs of moving to RISE with SAP. This includes not just the move to SAP S/4HANA, which can be complex for long-time SAP customers with many customizations, but also costs like data ingress and egress fees if other systems are on-premise or in different clouds, the need for extra licenses for tools like SAP BTP or SAP Signavio, and access to generative AI features like Joule across various applications. This makes it crucial for organizations to talk to their SAP account executives about cost and what can be done to manage expenses.



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%)

APPENDIX

THE DART™ METHODOLOGY

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The DART methodology provides practical insights, including:

DRIVERS These are macro-level events that are affecting an organization. They can be both external and internal, and they require the implementation of strategic plans, people, processes, and systems.

ACTIONS These are strategies that companies can implement to address the effects of drivers on the business. These are the integration of people, processes, and technology. These should be business-based actions first, but they should fully leverage technology-enabled solutions to be relevant for our focus.

REQUIREMENTS These are business and process-level requirements that support the strategies. These tend to be end-to-end for a business process.

TECHNOLOGY These are technology and systems-related requirements that enable the business requirements and support the company's overall strategies. The requirements must consider the current technology architecture and provide for the adoption of new and innovative technology-enabled capabilities.

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