

SAPinsider

EXECUTIVE REPORT

The CIO's 2022 Agenda for SAP, S/4HANA, the Cloud and Beyond

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Executive Summary

A new year has brought new challenges for technology executives, and with that some priorities have grown in importance. Supply chains are less reliable than in the past, employees are more willing to search for new jobs (as witnessed with the Great Resignation), and pandemic variants influence commerce. This is impacting the way executives prioritize their investments. Visibility and efficiency are paramount, as leaders look to identify improvements for greater adaptability to unanticipated events.

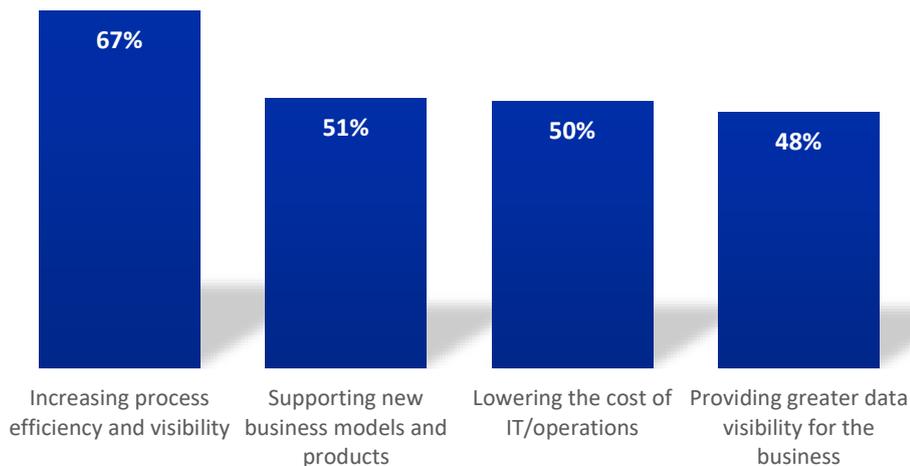
To provide us with the insight on how technology executives at SAPinsider member organizations are prioritizing their investments, SAPinsider surveyed 187 executives within our community in February and March of 2022. We also conducted several in-depth interviews with leaders from a variety of companies and industries. Increasing process efficiency and visibility was the biggest priority for executives we surveyed, just as it was in 2021 (**Figure 1**). Over two-thirds of respondents (67%) cited this as a top priority.

Lowering the cost of IT operations (50%) saw a significant rise in prioritization, coming up from 36% in 2021. Providing greater data visibility for the business (51%), and supporting new business models and products (45%) were also among most-often-cited priorities for the second-straight year, but supporting new business models dipped from 61%. Continuing to manage through disruption was a priority for far fewer executives in our survey this year — 30% compared to 51% a year ago. That suggests disruption is no longer top of mind, but is that really the case?

“ In terms of the overall business, it’s about resilience. How do we become more resilient as an organization and as a supply chain and withstand the type of shocks that we’ve experienced over the last two years? More importantly, how do we deal with those unexpected events in a way that doesn’t disable our business?”

“
Ralph Michaelis
 CIO
 Canadian Blood Services

Figure 1: Top Technology Leader Priorities in 2022



Source: SAPinsider, March 2022

“Disruption is part of doing business now, and we’ve adjusted,” says Steve Birgfeld, VP of Information Technology and Services at Blue Diamond Growers. “But we want better insights to make sure we know if there’s a disruption. How do we handle it? What’s the impact?”

As for the rise in executives prioritizing lower IT operational costs, coupled with a decline in supporting new business models, companies are readjusting from the operational dynamics of the previous two

years brought on by the pandemic. Technology leaders are now back to a point where they can focus more on improving their departments rather than simply staying afloat in a sea of change.

To help serve their priorities and to adjust to this era of new challenges, executives are looking to make investments primarily in SAP S/4HANA and the Cloud. When we asked executives to name their most strategic investments in 2020, SAP S/4HANA was named by half of respondents — even more noted moving to SAP S/4HANA Cloud in the “other” option. That was the top strategic investment followed by moving SAP to a public cloud environment (29%).

Building a better integration framework and investing in artificial intelligence (AI) or machine learning were key strategic investments for about one quarter of respondents, with investment in private cloud via Rise with SAP or a hyperscaler close behind. These strategic investments reflect the executive priorities — better integration helps with process and data visibility, while AI and machine learning can assist with priorities around lowering IT costs and supporting new business models.

This year’s survey revealed several other trends and insights that describe how executives are defining and measuring their transformation initiatives, as well as how they are overcoming challenges and bringing tangible benefits to the organization:

- Just under half (44%) of respondents have implemented or are currently implementing SAP S/4HANA. Another 6% are in the piloting or proof-of-concept stage, while 32% are evaluating the software and 18% have no current plans to adopt SAP S/4HANA. These numbers reflect more SAP S/4HANA instances in production than last year’s survey (21% vs. 14%), which suggests projects that began before or during the pandemic are wrapping up. The portion of respondents with SAP S/4HANA projects currently underway also rose from 18% to 23%.
- SAP-related budgets seem to be holding the line or growing at most organizations, with 40% half of respondents saying their budgets for SAP-related products remain the same and 38% saying their SAP-related budgets will increase. Respondents who said their budgets are rising or staying the same often indicated that they are currently implementing SAP S/4HANA.
- Strategic partners are expected to consume a larger portion of budgets than years past. About 40% of respondents indicated increasing investment in strategic partners, with less than 10% saying that investment will decrease.
- SAP teams are expected to stay the same or grow in 2022 at respondent organizations — 48% indicated no change to their SAP teams, while 48% said they plan to increase the size of their SAP teams.
- SAP S/4HANA is the most cited SAP-related skill to develop or add to SAP teams in 2022, selected by 61% of respondents. Analytics is an important skill for half of respondent organizations, while cloud (43%), security (38%), and integration (38%) were the next most cited.

Required Actions

Based on the survey responses, leaders should consider the following strategies as they establish priorities in 2022 and beyond:

- **Look outside your technology group to improve processes.** Do you have super users in your business? If so, it’s likely they have the knowledge on how your business should operate, combined with an interest and knack for technology. Consider building on those technology skills and moving

these super users into roles that oversee processes and the technologies that supports it. This will give your technology group more insight into the business and that means more purposeful and efficient work from IT.

- **Make resilience inherent in all you do.** It's not always easy to push transformation in an organization. Resistance to change was cited as the number one challenge to transformation projects in our Q4 2021 research on [The CIO's Transformation Report Card](#). However, consider highlighting the rise in disruption across supply chains and then making processes and technologies a core priority rather than a one-off solution. This can help you make the case for necessary transformation and the temporary budget increase that comes with executing change.
- **Build your data skillsets.** Executives are focused on better data visibility as a priority, and they are finding analytics skills to be most important. Meanwhile, AI and machine learning are among top strategic investments — and you'll need to ensure data is accurate for those technologies to be effective. That means analytics skills, but also data management. Determine if you can cultivate data skills from current employees, or if you'll need outside help either through a new hire or strategic partner.
- **Map your potential cloud journey.** Many organizations are looking to incorporate the Cloud in their technology stacks at a larger scale, including larger organizations looking at SAP S/4HANA in the public cloud or hosted on a private cloud. Decide what is going to work for your organization — does public cloud work with your internal and external requirements? Would you be more likely to adopt a private cloud? If reducing IT operations costs is a priority for you (like most of the executives we surveyed), you'll likely be looking to expand your cloud presence.

Chapter One: Top Priorities and Recovering SAP Budgets

With some level of normalization for the first time in two years, technology leadership is back to focusing on the types of initiatives that they were working towards before the world turned upside down. This is reflected in the top priorities that leaders are focusing on in 2022, and how those priorities have changed from 2021.

The most common priorities tell a story of companies looking to create more efficient and transparent processes that run at lower costs to the organization and provide greater levels of data insights. The most often cited top business priority that our respondents are working on in 2022 is to increase process efficiency and visibility (67%). This took a slight jump from 2021, when it was also the top priority, garnering selection from 62% of respondents (**Figure 2**).

Increasing process efficiency will always be important for technology leaders, and it's a central element to most software and infrastructure investments. Those investments also are typically in service of supporting and enabling new business models and products, and that was the next top priority for leaders in our survey (51%).

One priority that has grown in importance for 2022 is lowering the cost of IT/operations, indicated by 50% of respondents vs. 35% for 2021. Companies have largely been looking to weather the storm for the last two years, and IT became an even more important piece as employees shifted to remote work environments. Now that remote work is sorted out for many organizations or employees are returning to their on-premise workstations, the cost of IT is getting a closer look.

Still, IT groups have important work to do while reducing cost — such as providing greater data visibility for the business, a top priority for nearly half of respondents (48% — the exact percentage as 2021). Data visibility can be an important avenue to fulfilling other priorities. It's hard to know if processes are becoming more efficient without information to back it up. Newer business models are also quite frequently data driven. It's no surprise that data visibility keeps its place among top priorities for the second-straight year.

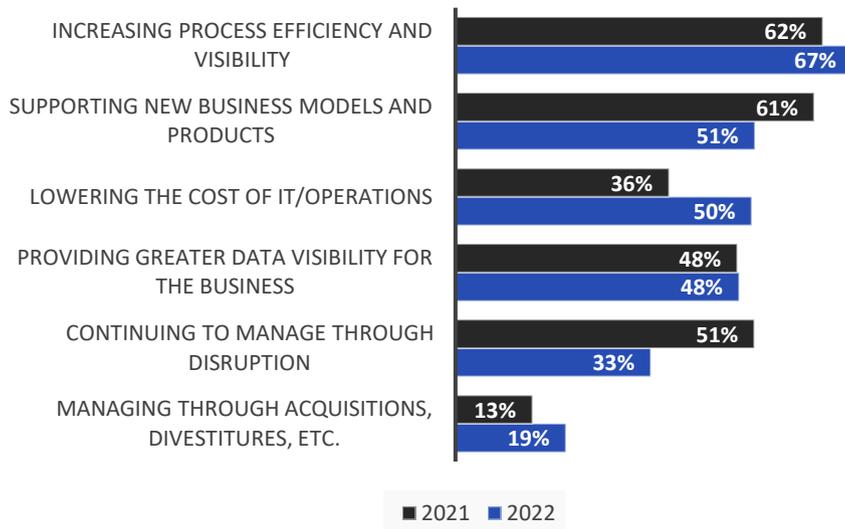
Other priorities cited by executives included continuing to manage through disruption (33%) — remote employees and processes —and managing through acquisitions, divestitures, and similar events (19%). Managing through disruption dipped from 51% last year, so it seems that leaders have moved on to other priorities. And for most, remote work is no longer making the impact it did last year.

“ We have to be nimble and we have to do our reporting, financing, and controlling in different ways—whether that's the view of the asset, the view of the region, or view of the portfolio for oncology. We have to build that flexibility in and it's not there today we know that's how we will be when its implemented.

”

Brian Kudeba
VP, IT Strategy &
Transformation
Ipsen

Figure 2: What are your Top Business Priorities?



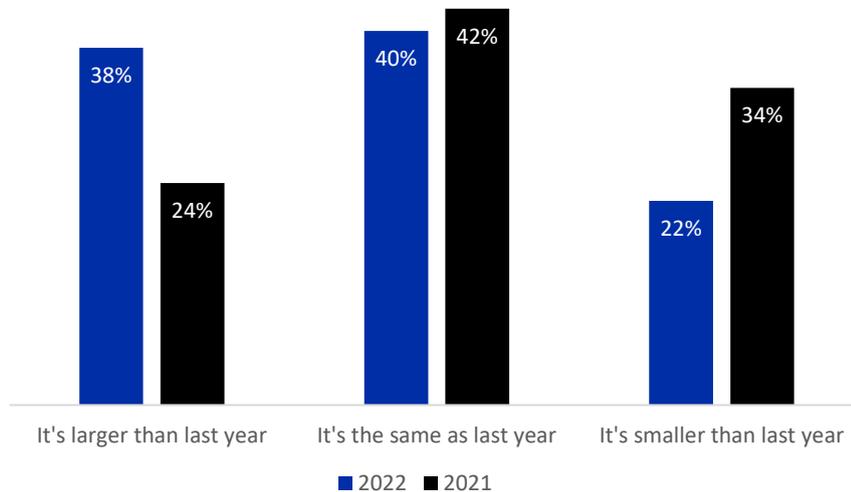
Source: SAPinsider, March 2022

Next, we'll look at how SAP-related budgets and SAP-related staffs are changing, and how priorities may be impacting those changes.

SAP Budgets Bouncing Back

After a year where SAPinsiders understandably were cautious with their budgets amid major uncertainty, it seems the willingness to invest in SAP-related projects has made a comeback. In 2021, just under one quarter (24%) of respondents said their budgets for SAP-related projects would be increasing. In this year's survey, 38% say their SAP-related budgets are larger than last year (**Figure 3**).

Figure 3: Budgets for SAP-Related Projects



Source: SAPinsider, March 2022

Another 40% say their SAP-related budgets are staying the same. That's down from 42% from last year, but it's obvious that more companies have increased SAP budgets — 34% said they were shrinking their SAP budgets in 2021, while 22% plan to make budgets smaller in 2022.

The higher investment in IT-related endeavors also includes strategic partners. Less than 10% of respondents said their investment in strategic partners — companies such as system integrators, hyperscalers, software providers, and other vendors — is decreasing in 2022. Contrast that with the 40% of those surveyed who said their strategic partner investment will be increasing this year. That's up from 33% who were increasing investment in 2021.

Increasing SAP-related budgets went hand-in-hand with increasing strategic partner investment — 74% of those that are also raising their SAP spending are also increasing their strategic partner spending. None were growing one while decreasing the other.

What about investment in internal employees related to SAP? Nearly half of the technology leaders we asked (48%) said they were increasing the size of their SAP-related staff— 37% increased SAP staffs a year ago. Much like with investment in strategic partners, increasing SAP staff correlates with increasing SAP budgets — 71% of those that increased budgets also increased staff.

Priorities are Impacting SAP-Related Budgets

Depending on what leaders are prioritizing, they are likely to allocate more budget for SAP-related projects. If a respondent chose “increasing process efficiency and visibility” as a top priority, they were likely to increase SAP budgets — 45% are increasing against 38% of the total sample. Interestingly, 45% of respondents that selected “continuing to manage through disruption” as a top priority are also increasing budgets.

Over half (53%) of companies working through acquisitions and similar events planned to increase SAP-related budgets. This could potentially relate to the task of merging disparate SAP ERPs into a unified system.

Those that are looking to lower the cost of IT/operations are less likely to increase SAP-related budgets (34%) and more likely to decrease budgets (27%). Some organizations are looking to cut cost simply by cutting back budgets, but it's interesting that more of those organizations that want to lower IT costs are still looking to increase their SAP budgets. This suggests that they see further investment as a future path to lower costs overall.

Key Takeaways

Based on technology leadership priorities and how that is impacting SAP-related investments, the following takeaways are clear:

- **Start with the goal of more efficient and visible processes.** Technology leaders have many priorities but becoming more efficient can assist with other priorities. Higher efficiency likely means lowered costs. Greater visibility into processes can help your technology group better align with business goals and new business models. Prioritize improving efficiency, and your other goals may fall into place a little easier.
- **Establish your plan for distributing budgets among internal staff and external strategic partners.** It's likely that your budget will have a major impact on whether you invest in more SAP-related staff and/or strategic partners. Based on your reason for changing your budget, assess the skills you have in-house. If you are increasing your budget, determine if it's worthwhile to search for permanent employees to fill your needs, or if it may work better to get help from partners.
- **Determine how SAP-related projects fit into your broader priorities.** Your priorities as a technology leader will impact all the decisions you make throughout the year. For many leaders, prioritizing areas such as efficiency, mergers, or disruption strategies comes with the need to increase SAP-related budgets. Find out what it takes to meet the goals you have set for your organization, and whether or not that requires SAP and other technology investments.
- **Consider all paths to lower IT costs.** The easiest way to cut IT costs immediately is to trim IT-related budgets and staff. However, those measures may not always cut costs in the long run. Look to your systems and your processes for areas of improvement and you may find more permanent solutions to reducing overall costs.

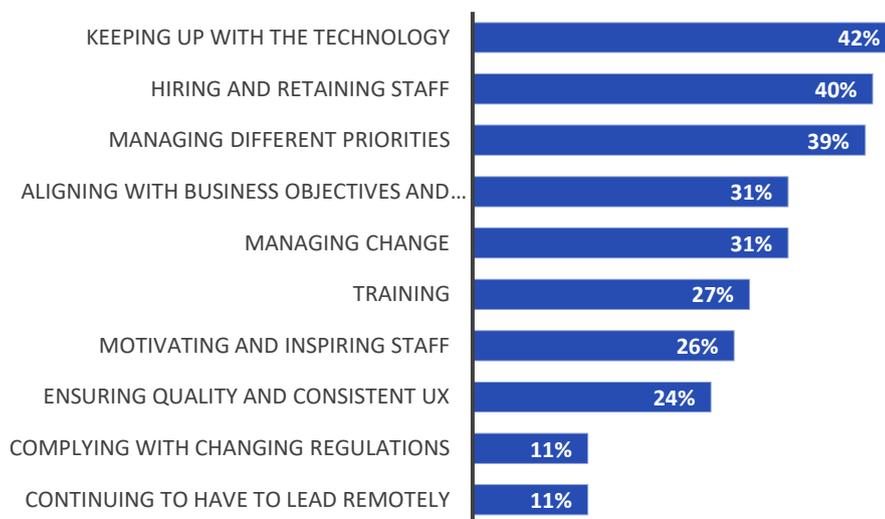
Chapter Two: Challenges Driving Executive Priorities and Desired Skillsets

When we asked our respondents to select their top three challenges as a leader, keeping with technology (42%) came out on top. Next were hiring and training staff (40%) and managing different priorities. (39%). Other major challenges included managing change (31%), aligning with business objectives and priorities (31%), training (28%), motivating and inspiring staff (26%), and ensuring quality and consistency for end-user experiences (24%), **(Figure 5)**. These challenges are what influence executive priorities, and what fuel the decisions they make on technological and staffing investments.

Overall, the top challenges were more distributed than last year. In 2021, “aligning business objectives” was the leading challenge (33%), followed by managing change (28%), keeping up with technology (28%), managing different priorities (26%), hiring and retaining staff (24%), continuing to have to lead remotely during disruption (24%), and motivating and inspiring staff (24%).

Notably, managing change dipped from the second-most-cited challenge to the fifth most cited. Continuing to lead remotely during disruption was listed as a top challenge by just 7% of respondents for our 2022 poll, likely a product of many organizations heading back to the office. It could also mean that leaders have adjusted their styles to fit remote work and no longer view it as a top challenge.

Figure 4 What are Your Top Challenges as a Leader in 2022?



Source: SAPinsider, March 2022

Managing different priorities has taken a big leap to be one of the top challenges — technology executives clearly have a lot on their plate. You can see that in the distribution of priorities. Executives are worried about process efficiency and visibility while also looking to reduce IT costs and support any new initiatives the company may be pursuing to stay aligned with business objectives and priorities. Managing different priorities becomes easier they are more self-sustaining. That’s potentially driving investment in SAP

S/4HANA projects, which aim to bring more efficiency and data consistency while providing a platform for new business ventures.

Increased challenges around managing different priorities may also be driving increased investment in strategic partners — which at times is also linked to technology adoption, particularly with hyperscalers and cloud vendors. Executives are looking for assistance from partners to help take some of the burden off their plates in strategic areas, allowing them to focus more on aligning with the business.

Hiring and retaining staff is a challenge for far more respondents than it was in last year's survey — 2021 was marked significantly by The Great Resignation. As employees' workplaces were disrupted, they saw more remote opportunities, with many switching companies or careers.

How are leaders making sure they can hire and retain the right people? For Nik Giannakakis, Group CIO at Motor Oil, it's about creating an atmosphere, both culturally and technologically, that appeals to top talent.

"Unfortunately, we have to live in this era of turnover, but at the same time, we are creating the relevant environment that will attract new talent that will drive our business forward," said Giannakakis. "I truly believe there is a golden opportunity around that. How are we doing this? By offering flexibility, security, convenience, and by touting our transformation project as something extremely attractive to professionals who want to grow their careers."

The turnover at some companies may be leading to issues around losses of institutional knowledge. Training was hardly a major challenge in 2021—cited by just 4% of respondents. However, it has shot up the list in 2021, cited by 27% of those we surveyed.

Hiring new employees is just one step of the process—getting them trained is important to meet a company's priorities. More companies are having to worry about that training, either for new hires or to skill up current employees to replace those lost. Additional training can also be an avenue to retention—invest in an employee and they are more likely to stay.

Next, we'll examine how the challenges that leaders are facing impact the actions they are taking around staffing.

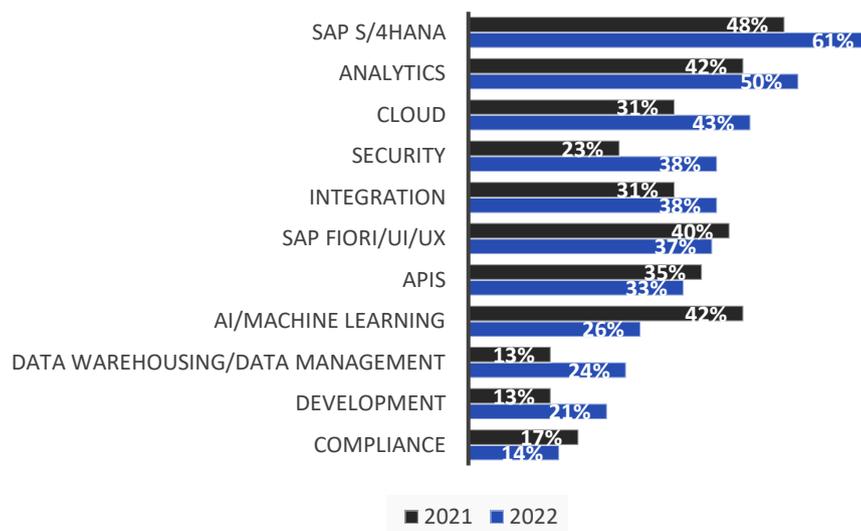
The Skillsets Needed to Meet 2022's Challenges

As leaders build out their teams, the SAP-related skillsets they are seeking have evolved over the past year — with skills around data and integrations on the rise. The need for SAP S/4HANA skillsets remains at the top, but even more are now emphasizing its importance — 61% of respondents indicated SAP S/4HANA as an important skillset vs. 48% last year. Analytics skills remain the second-most desirable SAP-related skillset, an increase in importance (50%) vs. 42% in 2021's survey. Giannakakis noted that he is hiring specifically around data science, data engineering, and development as Motor Oil builds out capabilities in analytics, AI, and machine learning. The drive for analytics skills ties back to aligning with business priorities, as many executives we spoke to talked about the desire for greater data insights. That feeds into top priorities around process and data visibility.

Cloud skills (43%) and integration skills (38%) also jumped in importance for leaders, both rising from 31%. Leaders are faced with the challenge of keeping up with new technologies, and that often means cloud technology. Integrating skills are a natural companion to SAP S/4HANA and cloud skills, as bringing in new technologies will require building out new integrations. Again, we can link that to priorities around process efficiency and visibility — it’s much easier to gain efficient and visible processes if the different technologies that support and enable those processes are well integrated.

Other skillsets that technology leaders are seeking include security (38%), SAP Fiori/User interface (UI)/User Experience (UX) (37%), Application Programming Interfaces (APIs) (33%), artificial intelligence/machine learning (26%), Data Warehousing/Data Management (24%), Development (21%), and Compliance (14%) (Figure 6). Among this group, the most notable change is a significant rise in the importance of security skills, up from 23%.

Figure 5: What are the Most Important SAP-Related Skills to Develop or Add?



Source: SAPinsider, March 2022

For some organizations, the shift to more remote work has increased their emphasis on security and the need for security skills. Hernán Guerra, CIO and Head of HR at Viakem, told us cybersecurity is first among his company’s top initiatives because of its shift to more remote work.

“We have to put a lot of effort into cybersecurity right now. Remote work is driving cybersecurity challenges,” said Guerra. “If the home office wasn’t involved, I’m quite sure we wouldn’t be as focused on security.”

Key Takeaways

When it comes to measuring the success of your transformation projects and tackling the key obstacles that stand in your way, think about these key strategies.

- **Create an environment conducive to hiring and retaining top talent.** If you are losing key employees to The Great Resignation, remember that means it’s likely that

INSIDER PERSPECTIVE

“ In IT, the main skills that we need are Fiori and cloud platform integration. It’s very important that we develop more people to take care of the new user interface environment in SAP S/4HANA.

”
Hermilo Peña
 CIO
 La Moderna

talented people everywhere are also looking for new positions. Become that company that is attracting and keeping people rather than losing people by building a strong culture. And in the case of potential technology-focused recruits, providing attractive tools and projects to work with.

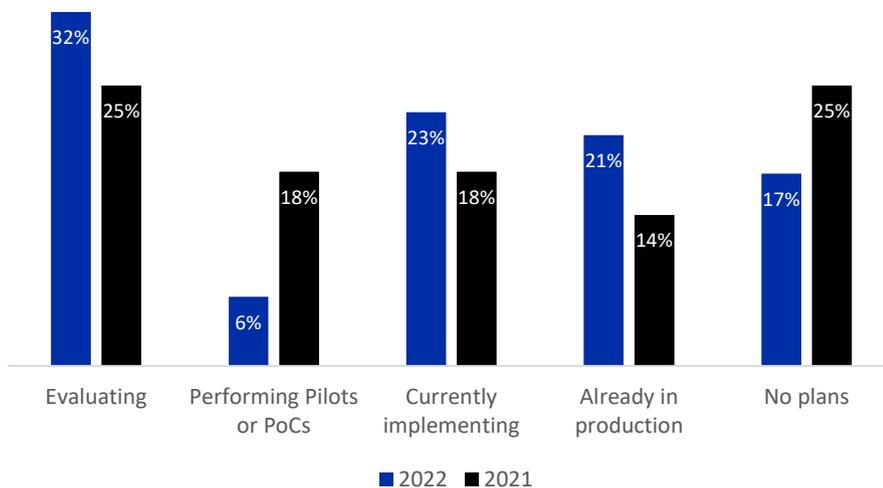
- **Think ahead and holistically about the skills you need.** SAP S/4HANA skills are the most sought after in our data, but SAP S/4HANA projects are likely to bring the need for a wide range of skills. Many companies look to transformation projects for improved data, lower total cost of ownership, and better movement of data across systems to match improved processes. That's why interest in skills such as analytics, integration, and the Cloud are on the rise. Additionally, the number of companies putting importance on SAP S/4HANA skills outpaces the number of companies currently implementing or in production with the software. Thus, if you plan to move to SAP S/4HANA, think about the skills you need now because that talent is in demand.
- **Push your strategic partners to help manage your priorities.** Many organizations are looking to invest more in strategic partners in 2022, so they should be expecting more from those partners, too. If you are managing multiple priorities and investing in external partners, ensure they are providing the appropriate value and helping you align with the business. For example, if keeping up with the latest technology is a challenge, tap into the knowledge of a trusted partner to help you map out a realistic journey to adoption.
- **Find the rate of change that works for your organization.** Many leaders are finding it challenging to keep up with the pace of technological change, while others struggle with managing change, period. Some companies keep up with the newest innovations through an incremental process, and others make big leaps into large-scale transformations. Determine what technology and change must occur to stay attuned with the business and adjust your rate and process of change to that goal.

Chapter Three: SAP S/4HANA and Strategic Investments

With technology leaders focused on greater efficiency, higher visibility into data and process, and lower IT costs, certain SAP technologies have come to the forefront for investment. For 58% of our respondents, SAP S/4HANA is a key strategic investment. That's a slight uptick from 51% last year. When you pair that with the data around increased evaluation of SAP S/4HANA, more projects in the field, and an increase of instances in production, it's clear that SAP's latest ERP offering continues to pick up steam.

When asked about their plans for SAP S/4HANA this year, 32% of respondents indicated they are evaluating the software, up from 25% in 2021. A higher portion of respondents are also currently implementing (23% vs. 18% last year) or are already in production (21% vs. 14% last year) than in 2021's CIO priorities report. A much lower percentage are currently in the SAP S/4HANA pilot or proof-of-concept state — 6% vs. 18% a year ago, which suggests that companies are moving along their SAP S/4HANA journeys (Figure 6).

Figure 6: What are Your Plans for SAP S/4HANA in 2022?



Source: SAPinsider, March 2022

The next most cited strategic SAP investments among the technology leaders we surveyed were building a better integration framework (31%), investing in new analytics or a data warehousing platform (27%), and investing in AI or machine learning (22%) (Figure 7).

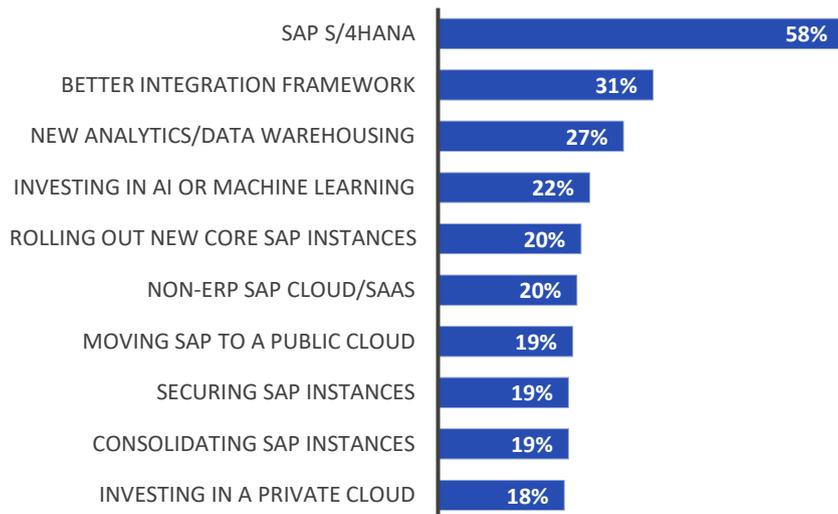
As we saw with the skillsets that technology leaders are seeking, integration is rising as a key area of focus in 2022. In turn, building a better integration framework took a leap as a strategic investment from 23% of respondents to 31% this year. Strategic investments in

“ One of the most strategic things for us is supply chain transformation. We are revamping our legacy supply chain systems and replacing them with an SAP-based landscape. We will leverage SAP S/4HANA as the mainstay along with SAP Integrated Business planning (IBP).

”
 Sanjay Davar
 Chief Architect
 STM Microelectronics

new analytics or a data warehousing platform, and investing in AI or machine learning fall along the same lines as a year ago.

Figure 7: What are Your Most Strategic SAP Investments in the Coming Year?



Source: SAPinsider, March 2022

Other areas of strategic investment indicated by our respondents include rolling out new core SAP instances (20%), buying or implementing non-ERP SAP cloud or SaaS software (20%), moving SAP to a public cloud environment (19%), securing SAP instances (19%), consolidating SAP instances (18%), and investing in a private cloud (18%).

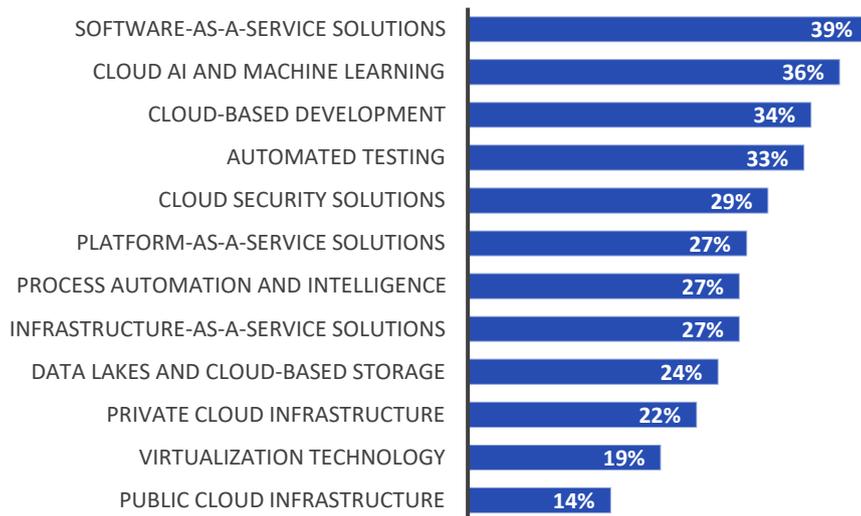
When compared to last year, the percentage of respondents planning to move SAP to a public cloud environment has dropped from 26%. However, other cloud-related investments are trending up. Investing in private cloud more than doubled from 8%, while buying or implementing new SAP cloud or SaaS software is up from 15% a year ago. Rolling out new core instances also moved up from 13% in 2021.

Next, we'll look at the types of cloud technologies in which SAPinsiders are investing.

Top Cloud Technologies for 2022

Technology leaders are looking to invest in a wide range of cloud technologies this year. The most common cited in our survey were SaaS solutions (39%), followed by cloud AI and machine learning (36%), cloud-based development (34%), and automated testing (33%).

Other cloud investments include cloud security solutions (29%), platform-as-a-service (PaaS) solutions (27%), process automation and intelligence (27%), infrastructure-as-a-service (IaaS) solutions (27%), data lakes and cloud-based storage (24%), private cloud infrastructure (22%), virtualization technology (19%), and public cloud infrastructure (14%) (Figure 8).

Figure 8: What are the Top Cloud Technology Investments in 2022?

Source: SAPinsider, March 2022

Compared to last year, SaaS solutions are still the top cloud technology investment. Cloud-based development is one of the biggest movers (from 20% to 34%), while the proportion of respondents investing in IaaS and PaaS have dipped. This would suggest that more companies have put their cloud infrastructure and platform in place and are now looking to utilize them as a basis for development.

We introduced automated testing and cloud security solutions to the survey for the first time this year, and both took places among the top cloud investments. Next, we'll look at how priorities shape cloud investments.

How Do Priorities Impact Technology Investment?

Technology leaders that prioritize supporting new business models and products are expecting higher rates of investment in cloud technologies across the board, including nearly half investing in cloud-based development (47%), 46% in SaaS solutions, 42% in cloud AI and machine learning, 38% in cloud security solutions, 36% in automated testing, and 34% in IaaS.

Organizations that are venturing into new business models and products often are using newer technologies to support those initiatives, and this data shows that cloud technologies are key in supporting many new business ventures for our respondents' companies. In particular, they are much more likely to invest in cloud-based deployment and IaaS — which may provide them the foundation for innovation.

Prioritizing greater data visibility for the business also correlates with higher rates of cloud investment. Over half (54%) of respondents who indicated data visibility as a priority also plan investments in SaaS solutions in 2022. Data visibility prioritization also aligns with

notably higher investment in cloud AI and machine learning (42%), cloud-based development (42%), cloud security solutions (40%), PaaS (39%), automated testing (36%), and data lakes and cloud-based storage (35%).

Companies are seeking cloud solutions as an avenue to greater data visibility for the business. Organizations that implement cloud are often, in part, drawn to the possibility of standardizing processes and data, allowing for the data to be more analyzable and actionable.

Sometimes the connection between priorities and cloud investment isn't as obvious as it seems. For example, for many years, companies have been hesitant to adopt cloud because of security concerns. Now, some companies are looking to cloud systems to not only outsource infrastructure but also security. Hermilo Peña, CIO at La Moderna, said cybersecurity was a key driver in its decision to implement SAP S/4HANA, public cloud edition.

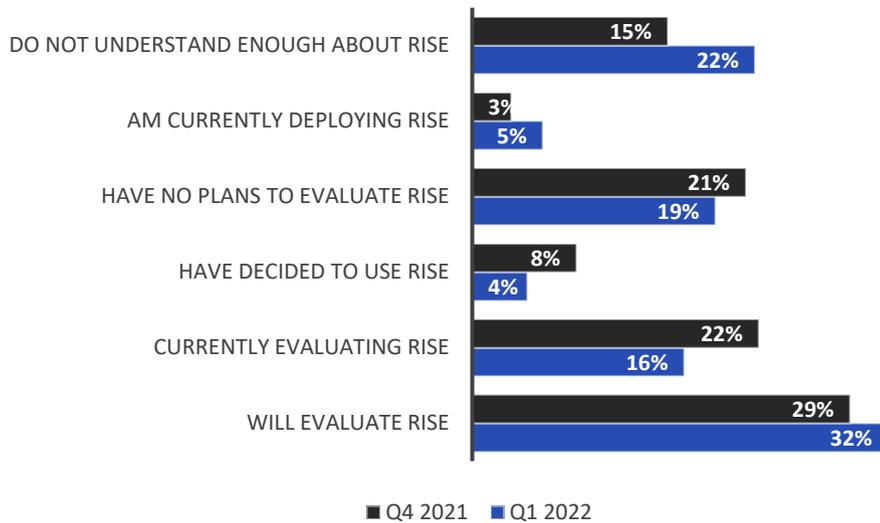
"We were very concerned about security. We have to spend a lot of money to maintain infrastructure to deployed functionality for end users. That's not the right option for us, spending money in areas that aren't our core. Our core is to make pasta and cookies, not invest in servers and databases," explained Peña. "Hackers are very smart people with bad intentions, and we cannot compete. We must look for a partner with a strong environment for cybersecurity, with the best options for us to maintain data and access data."

SAP is hoping to get more companies like La Moderna in the Cloud, and that's the motivation for its RISE with SAP offering. Each quarter, SAPinsider will check back on the progress of RISE with SAP among technology leaders.

RISE with SAP Deployment Trending Up

Much like in Q4 of 2021, a small portion of respondents in our survey have made definitive decisions on RISE with SAP — what SAP is positioning as its transformation-as-a-service offering. The proportion of companies currently deploying RISE with SAP has moved to 5% from 3% last quarter. Fewer respondents indicate that they have decided to use RISE with SAP (4% vs. 8% in Q4). It's likely those decisions on RISE with SAP have turned into action over the past few months (**Figure 9**).

Figure 9: What Role Does RISE with SAP Play in Your Plans?



Source: SAPinsider, March 2022

A smaller segment is currently evaluating RISE with SAP (19% down from 22%), but more are planning to evaluate it (32% up from 29%). The percentage of respondents that say they have no plans to evaluate RISE with SAP dropped slightly from 21% to 19%, so it's possible more technology leaders are taking notice of the offering. Education on the topic remains an issue, and 22% indicated not understanding enough about RISE with SAP, up from 15% in Q4 2021.

Key Takeaways

- Identify what's required to support new business models.** If your company, like many companies, is introducing new products and business models, then that is likely to be an important technology priority. Companies in our report are much more likely to turn to cloud technologies to support new business endeavors. Assess your current technology stack and determine if cloud technologies, such as PaaS and cloud development, can provide value.
- Ensure your technology stack enables data visibility.** Organizations utilizing legacy systems often face challenges with data quality and data consistency due to years of customization and a lack of integration. Many are turning to SaaS and other cloud solutions, which typically offer standardization, to bring about higher quality and analyzable data. If data visibility is your priority, then your technology should support that.
- Plan for what's next after investing in IaaS and PaaS.** Last year, IaaS and PaaS were key cloud investment pieces for SAPinsiders. This year, they have taken a step back while cloud development investment is surging. Think about IaaS and PaaS beyond what it can do to support your current applications and build a plan for how you can utilize the technologies to expand your capabilities.

- **Consider how cloud applications might strengthen your SAP S/4HANA deployments.**
We added automated testing and cloud security solutions to the survey this year based on feedback from the market, and they both performed well among the top cloud investments. Companies are looking to tools like these to ensure their implementations and systems are on sturdier ground. Explore how cloud offerings in testing and security can do the same for your SAP S/4HANA projects.

Methodology

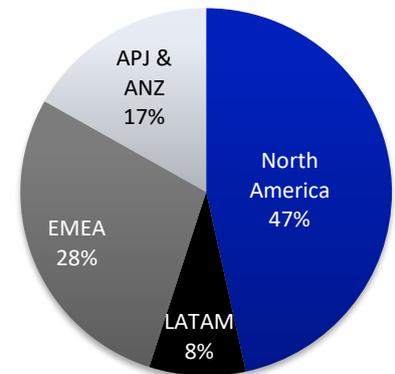
In February and March of 2022, SAPinsider examined the experiences of CIOs and other tech leaders about priorities for 2022. Our survey was administered to 187 technology leaders in the SAPinsider Community and generated responses from across a wide range of geographies, industries, and company sizes. Respondents completed an online survey and SAPinsider conducted in-depth interviews on questions such as:

- What are the top business priorities you will be working on in 2022?
- What are your most strategic SAP investments in the coming year?
- What are the top cloud technologies that your organization is investing in during the coming year?
- How will your SAP team change in 2022?
- What are the most important SAP-related skillsets that you need to develop or add to your team?

The demographics of the respondents included the following:

- **Market sector:** The survey respondents came from every major economic sector, including Software & Technology (42%); Industrial (30%); Retail & Distribution (11%); Public Sector and Healthcare (7%); Hospitality, Transportation, and Travel (5%); Financial Services & Insurance (4%); and Media & Entertainment (2%).
- **Geography:** Of our survey respondents, 47% were from North America; 28% were from Europe, the Middle East, and Africa; 17% were from Asia-Pacific, Japan, and Australia; and 8% were from Latin America.

PARTICIPANT PROFILE



Appendix A: The DART™ Methodology

SAPinsider has rewritten the rules of research to provide actionable deliverables from its fact-based approach. The DART methodology serves as the very foundation on which SAPinsider educates end users to act, creates market awareness, drives demand, empowers sales forces, and validates return on investments. It's no wonder that organizations worldwide turn to SAPinsider for research with results.

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 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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