

# ENTERPRISE CLOUD — LANDSCAPE, TRANSFORMATION, AND INTEGRATION

DETAILED FINDINGS FROM  
THE BENCHMARK REPORT  
By Robert Holland **September 2023**

# DETAILED FINDINGS

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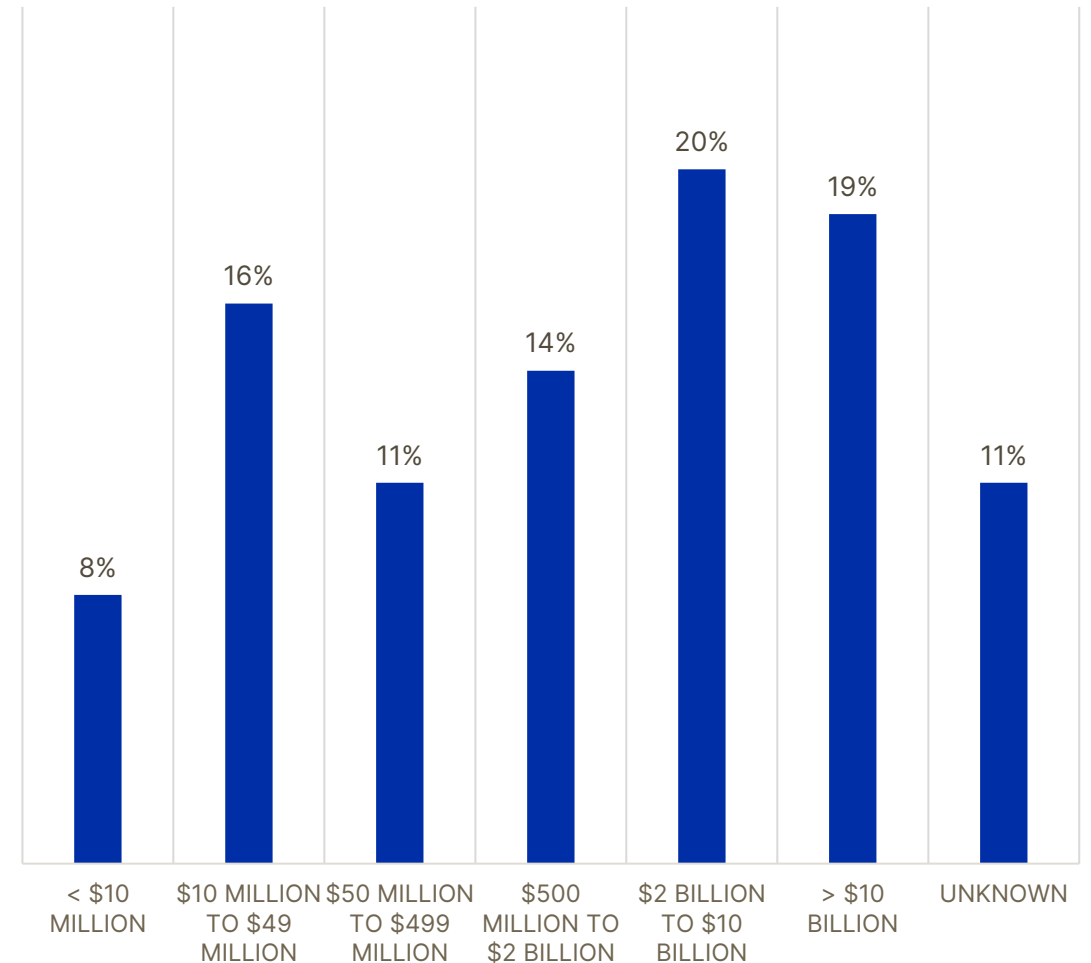
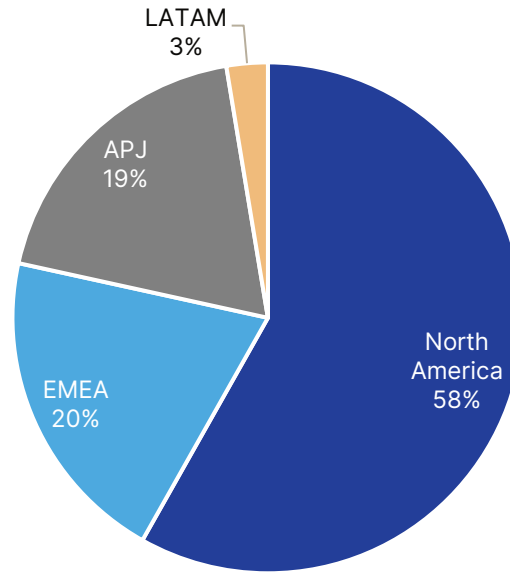
# DETAILED FINDINGS

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Between June and August 2023, SAPinsider surveyed 170 members of its community.

The survey participants came from various geographical regions worldwide and 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 making cloud deployment decisions within their respective organizations



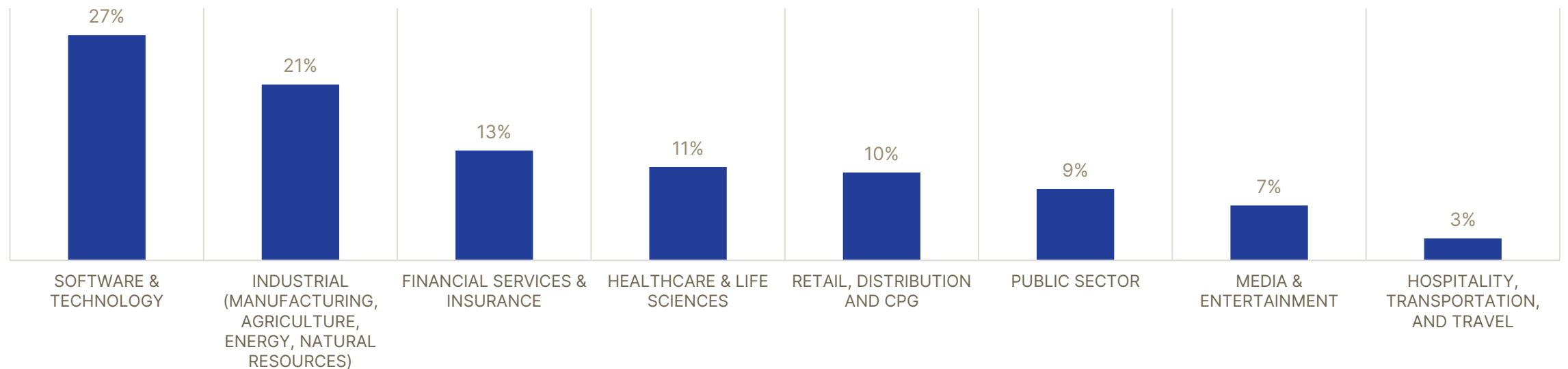
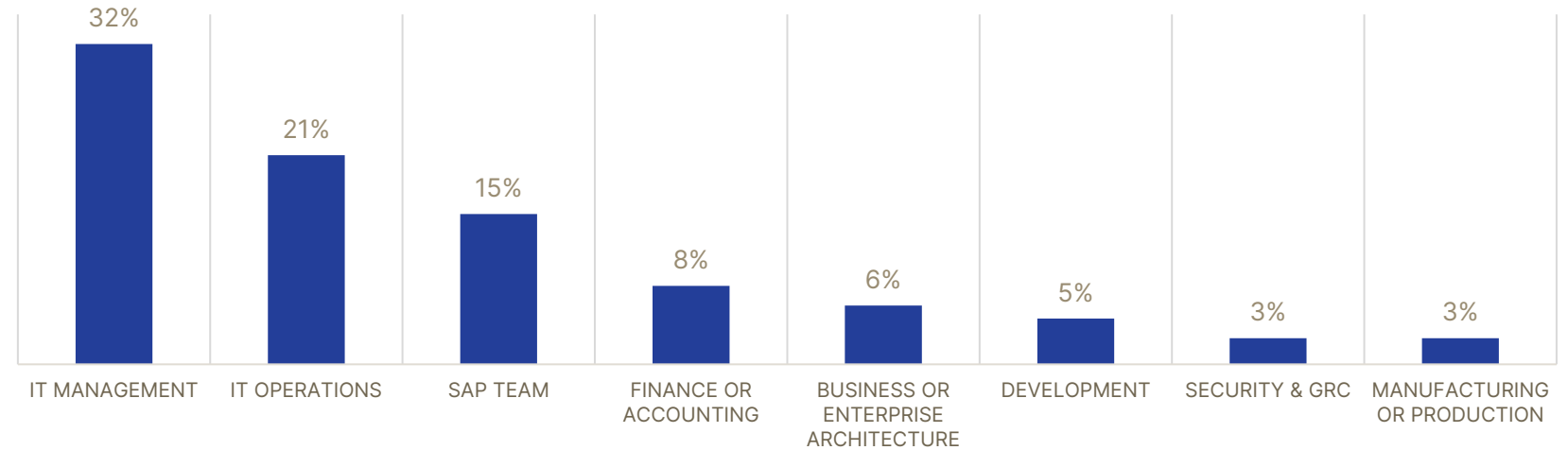
# DETAILED FINDINGS

## 2

The participants were asked about their cloud deployment plans and strategies being implemented.

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

### Roles



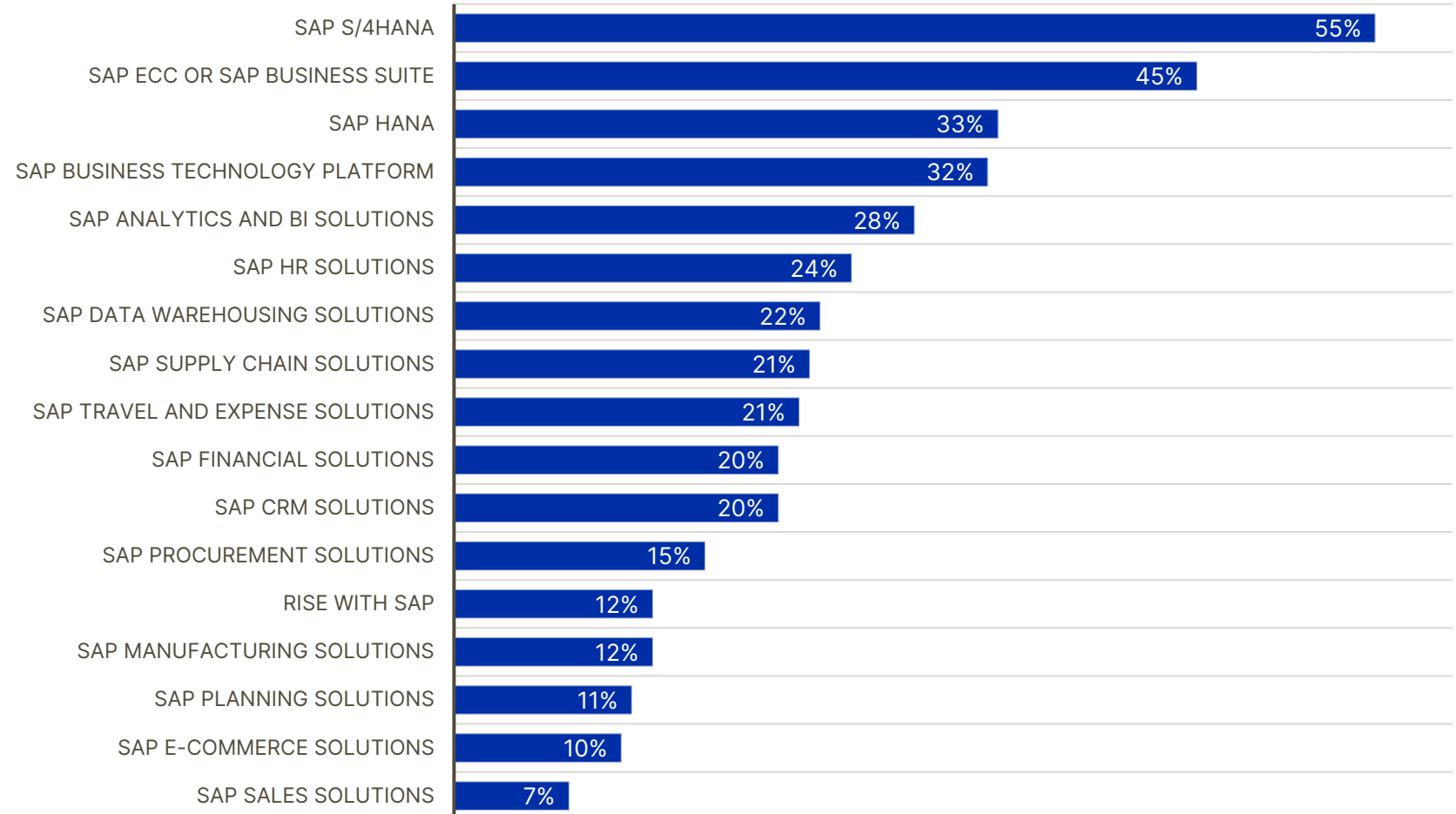
# DETAILED FINDINGS

## 3

ERP systems form the core of SAP environments for many organizations. However, many are now employing a best of breed approach, which is why HR, CRM, and even analytics solutions do not see as much usage.

As workloads are moved to the cloud, it is crucial that the compatibility of all workloads be evaluated so that there are not unexpected delays while these other solutions are updated.

## SAP Workloads in Use

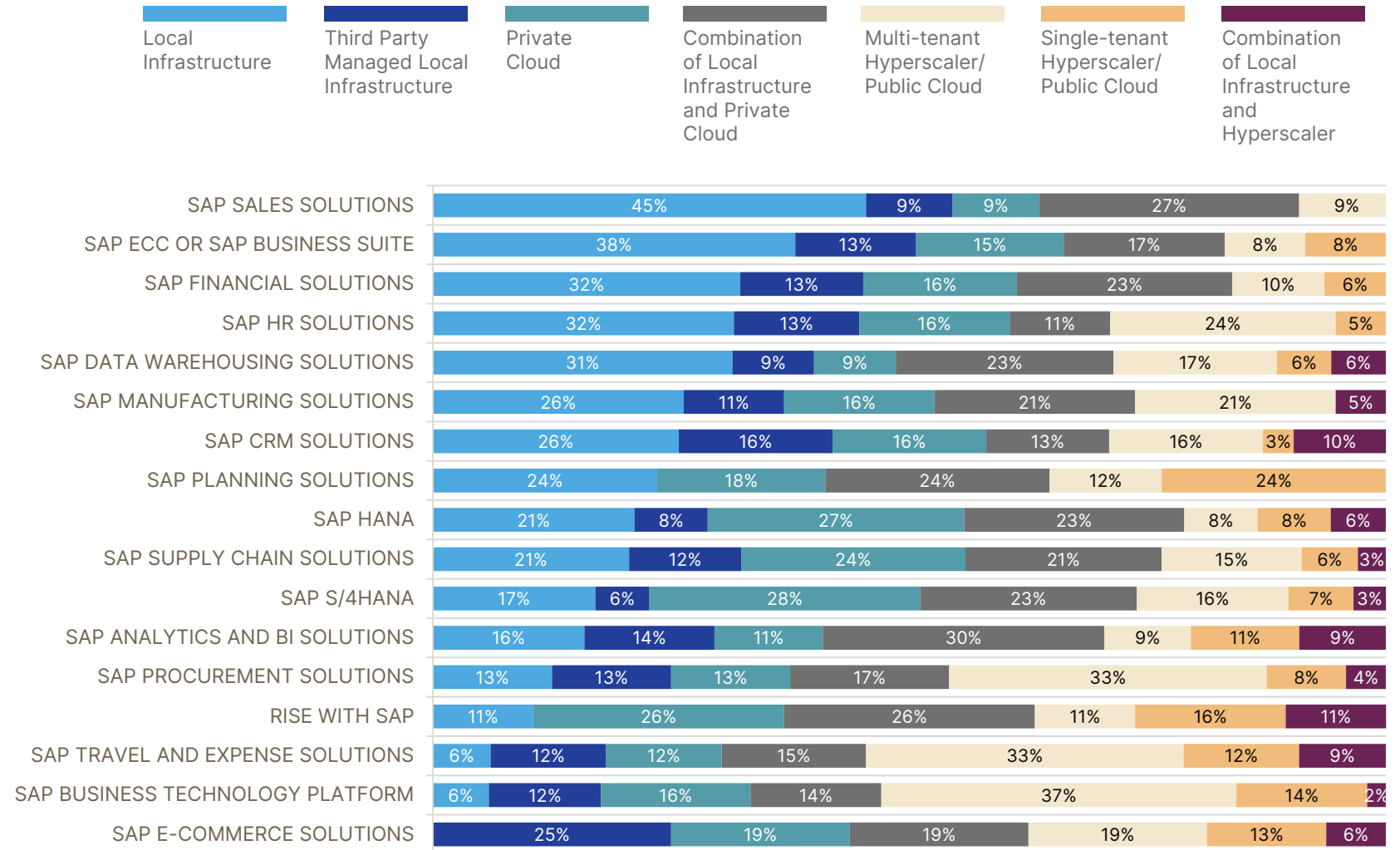


# DETAILED FINDINGS

4

**Older SAP solutions tend to be those that are still running on local infrastructure, but there are several workloads where third-party-managed local infrastructure is seeing significant usage. However, newer deployments are likely to use cloud-based infrastructure. Organizations must understand their infrastructure needs and plan appropriately for new solutions and deployments.**

## Infrastructure In Use for SAP Workloads



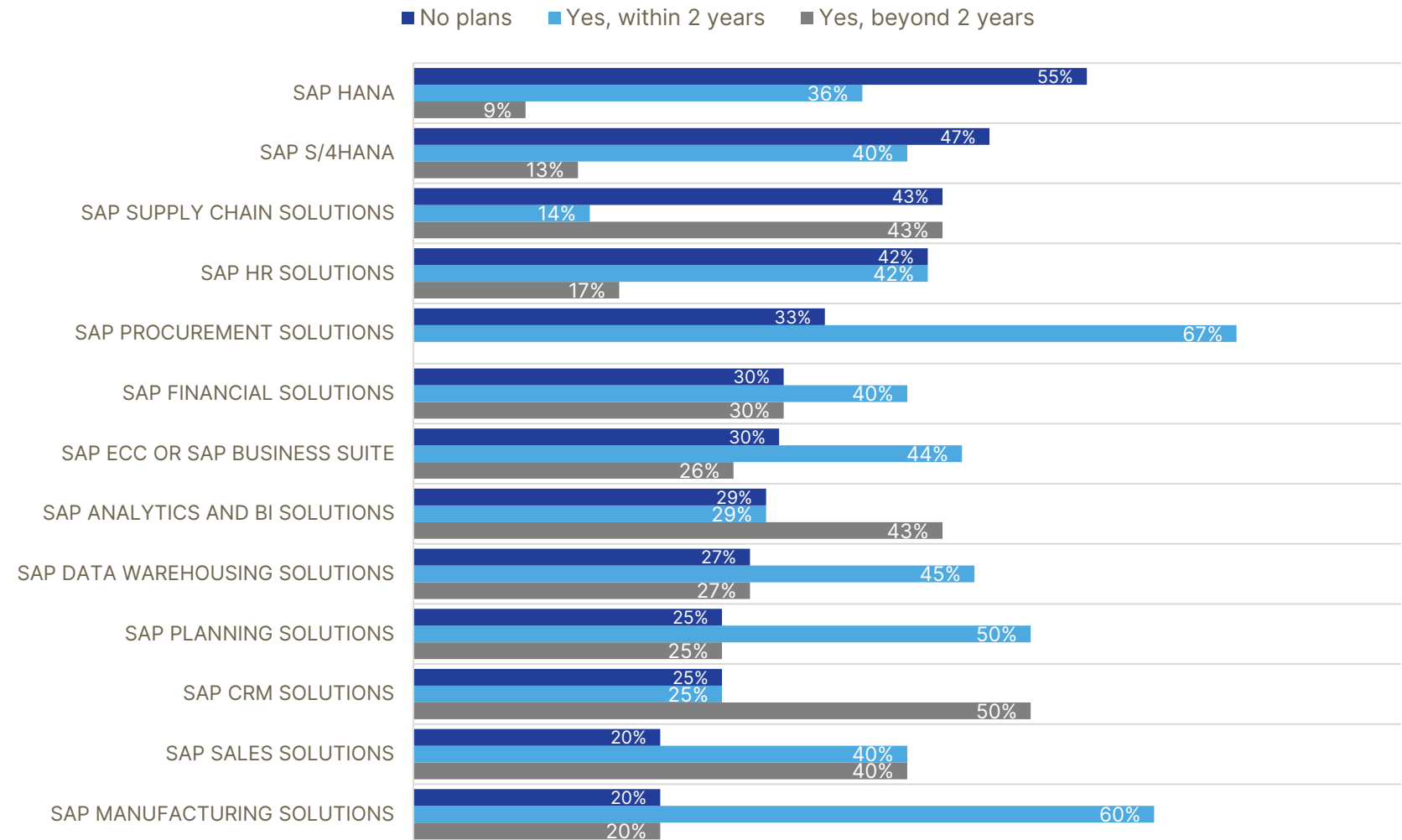
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## 5

Outside of those organizations that have made new infrastructure investments for recent SAP HANA and SAP S/4HANA deployments, most workloads are likely to move to the cloud over the next few years.

It is vital that organizations are prepared for these infrastructure changes. Internal teams must be familiar with administration of new environments and understand how to utilize them effectively.

## Plans for Moving On-Premise Workloads to the Cloud



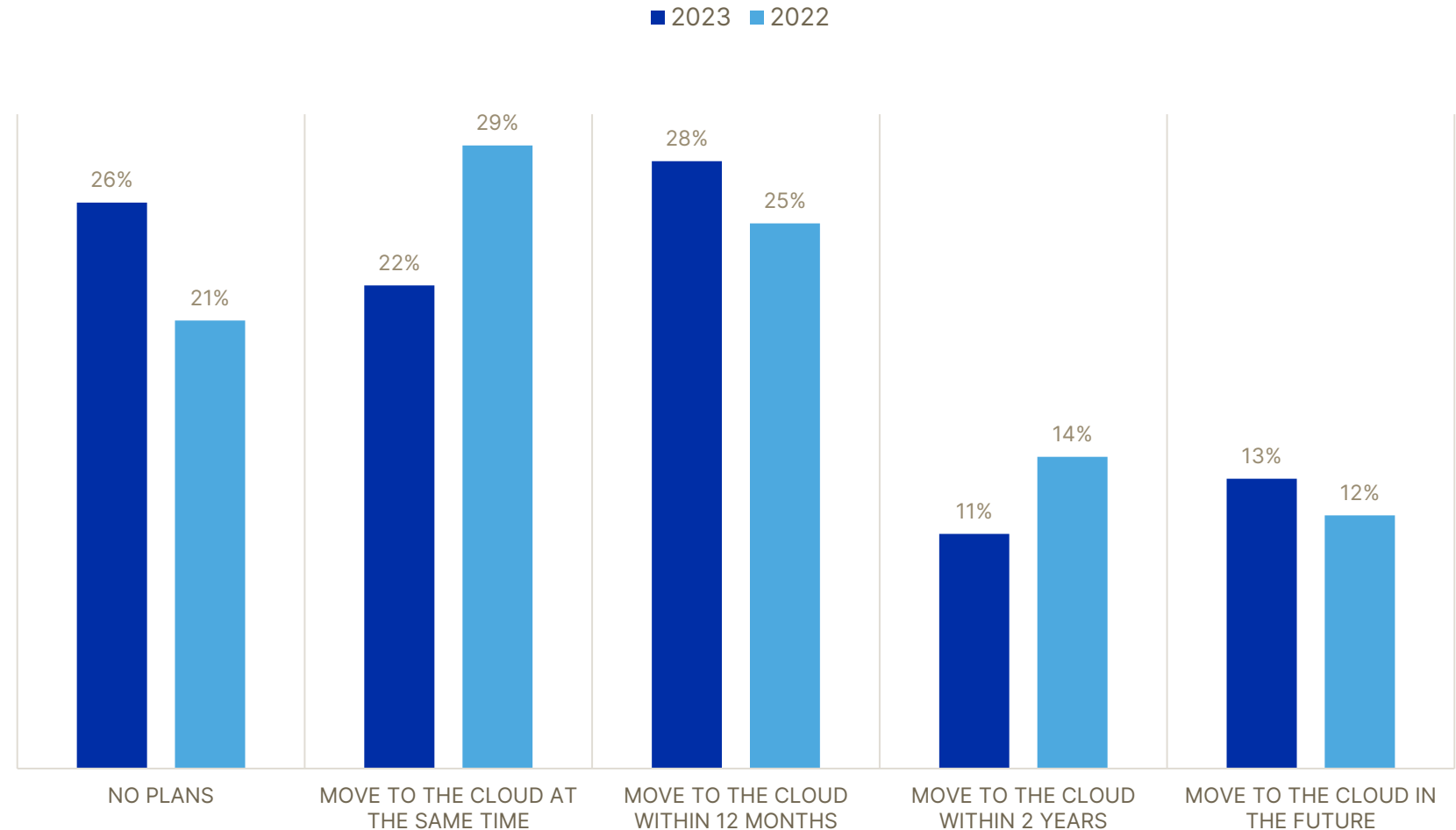
# DETAILED FINDINGS

**6**

Connected partner solutions can be just as important as the SAP solutions that they are integrated with, especially if the SAP systems cannot be used without these partner offerings.

Verify whether partner offerings and plugins will continue to work after SAP workloads have moved to the cloud. Avoiding a costly delay while those offerings are updated should be the primary goal.

## Plans for Connected Partner Solutions



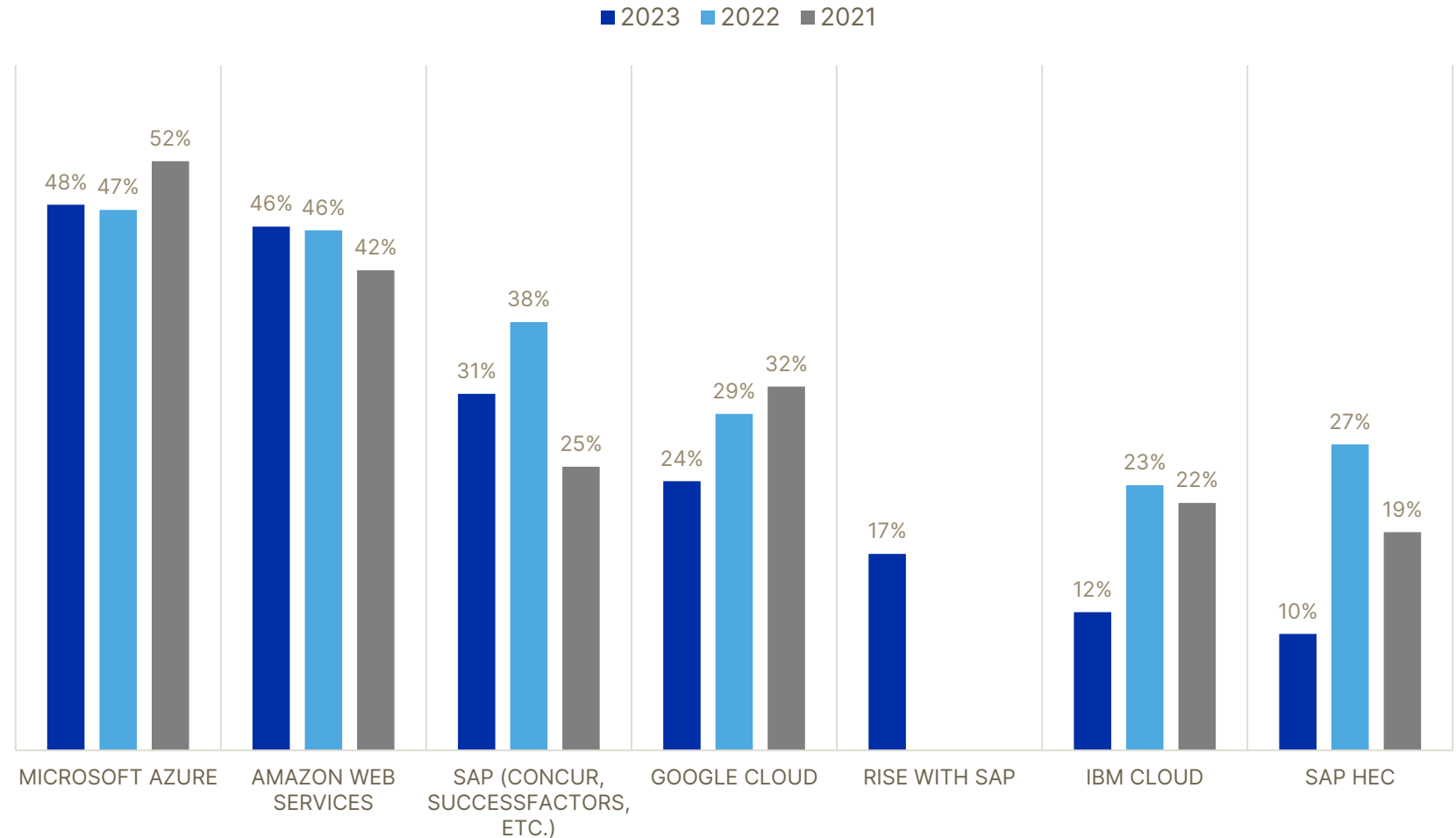
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Microsoft Azure remains the most likely cloud provider to be used when SAP workloads move to the cloud, but the numbers are closer than ever.

Organizations moving to the cloud should thoroughly evaluate the additional services offered by each provider to determine which will provide the most long-term benefits – including cost and security.

## Cloud Providers Being Used for SAP Workloads







## Enterprise Cloud — Landscape, Transformation, and Integration



### DRIVERS

- Business focus on digital transformation requires cloud-based deployments (35%)
- Pressure to reduce infrastructure costs, downtime, and resource utilization (34%)
- Demand for newer technologies and best of breed solutions available in the cloud (30%)
- Pressure to modernize infrastructure to lower costs and simplify IT (29%)



### ACTIONS

- Redesigning IT platform and architectures to lower costs and increase flexibility (65%)
- Creating an ROI, cost, and risk model for the cloud (44%)
- Investigating cloud-based solutions that will provide functionality on-premise systems lack (37%)
- Prioritizing business and IT workloads in the cloud (36%)



### REQUIREMENTS

- Data storage and protection requirements (81%)
- Plan for cloud-based data encryption and protection (78%)
- Strategy for integrating cloud-based applications (76%)
- Strong SLAs with cloud partners (75%)
- Ability to scale flexibly and quickly (73%)
- Cleansed and harmonized data (72%)



### TECHNOLOGIES

- Encrypted/secure connectivity (39%)
- Cloud backup and recovery (34%)
- Cloud database and data services (34%)
- Cloud-based integration tools (32%)
- Dedicated connections to cloud providers (31%)
- Virtualization and hyper-converged infrastructure (31%)
- Cloud development tools (30%)
- Data encryption tools (29%)
- Learning services (24%)
- Cloud data lakes (22%)
- Cloud AI and machine learning (15%)

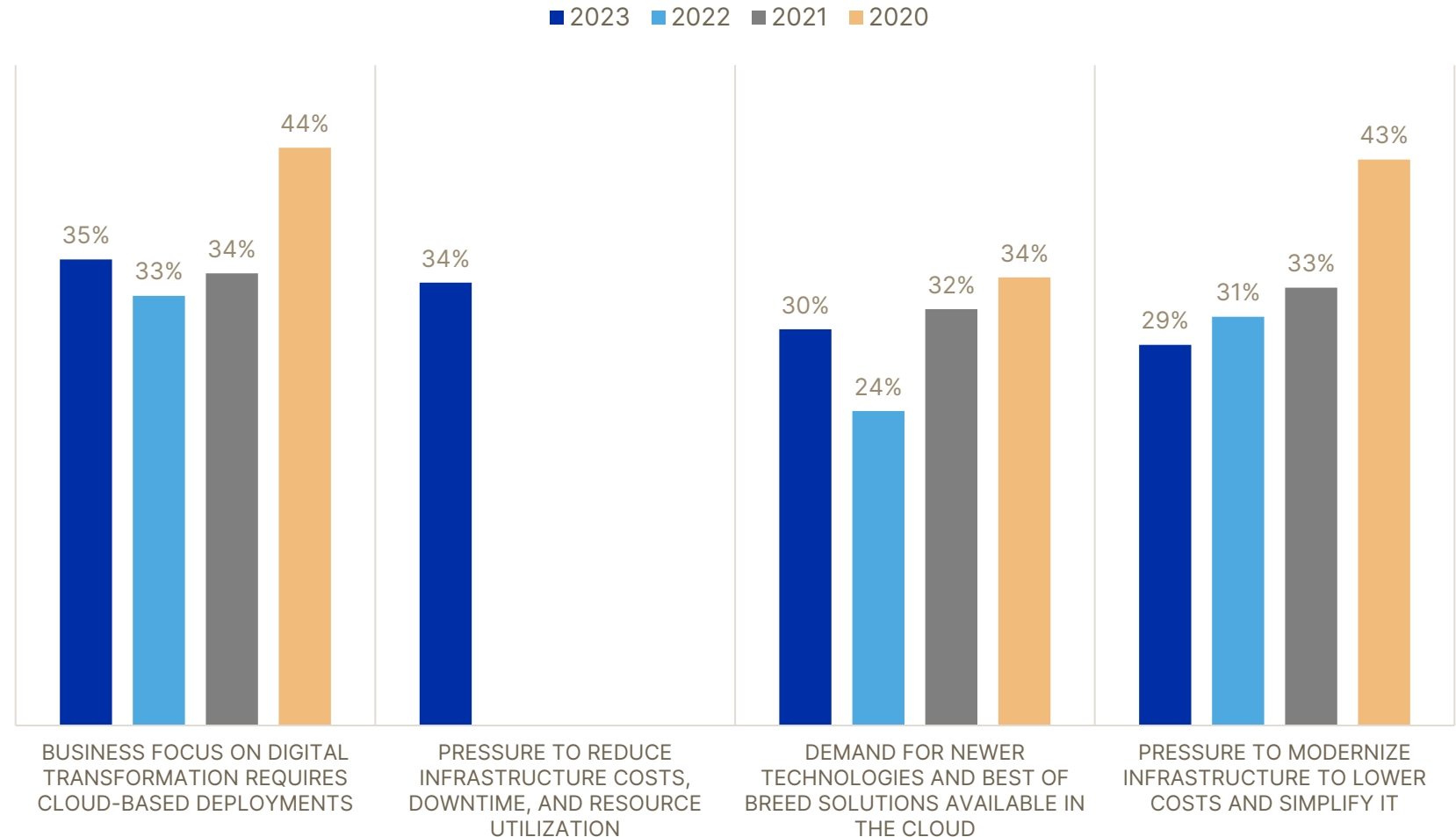
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While business transformation often requires cloud-based deployments, almost as important is the need to reduce costs, downtime, and resource utilization.

Organizations must ensure that they fully assess the initial and ongoing costs of moving to the cloud, as well as how it can benefit their transformation plans.

## Top Factors Impacting Cloud Deployment Strategy

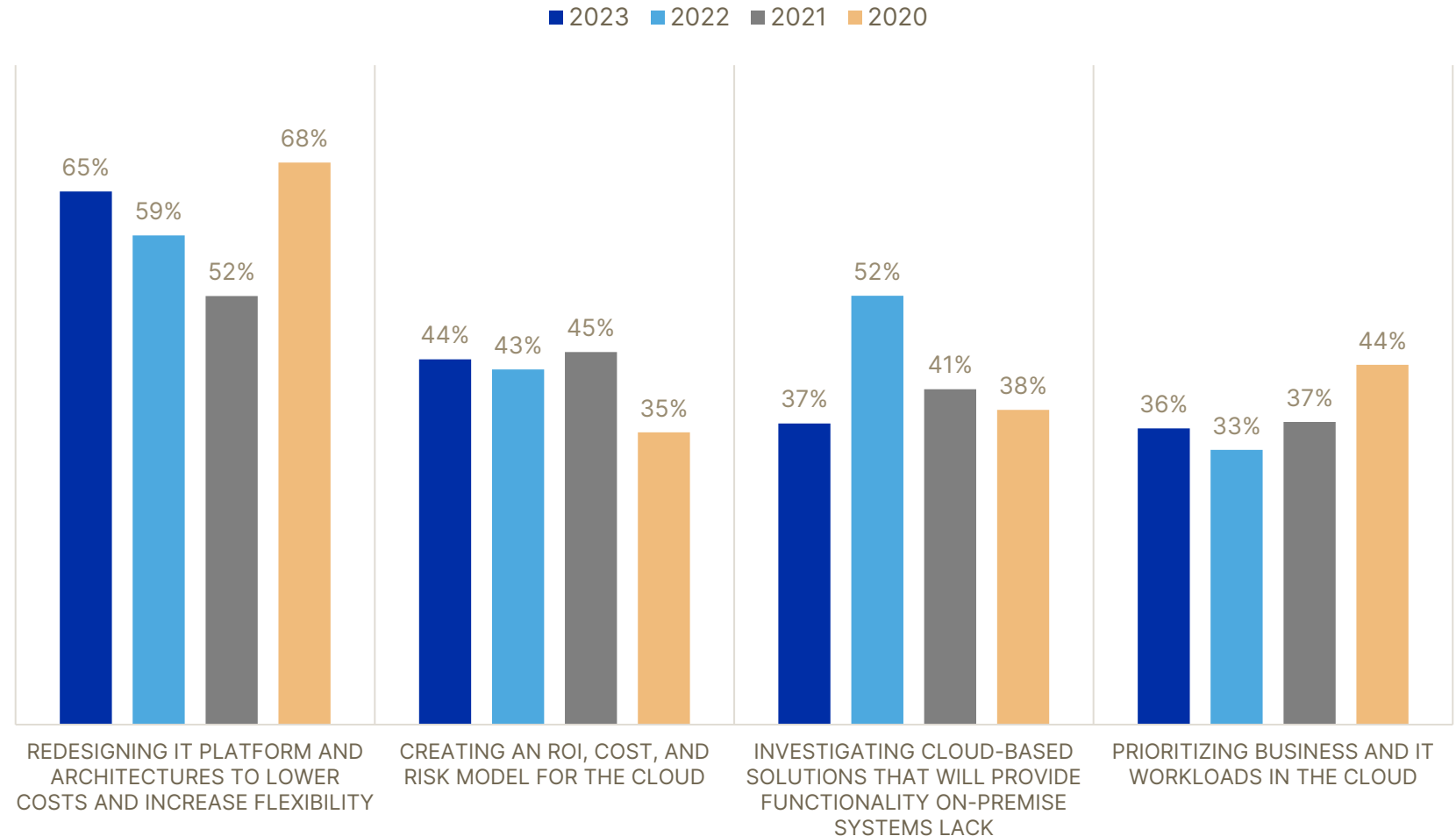


# DETAILED FINDINGS

9

Moving to cloud-based infrastructure offers many benefits, including flexibility, new functionality, and new capabilities. While organizations have a choice today in how they will move forward, it is important that they plan for a cloud-based future. Even if new innovations are not limited to cloud offerings, it is very likely that any new product releases will be cloud-based.

## Actions Taken to Support Cloud Deployment Strategies



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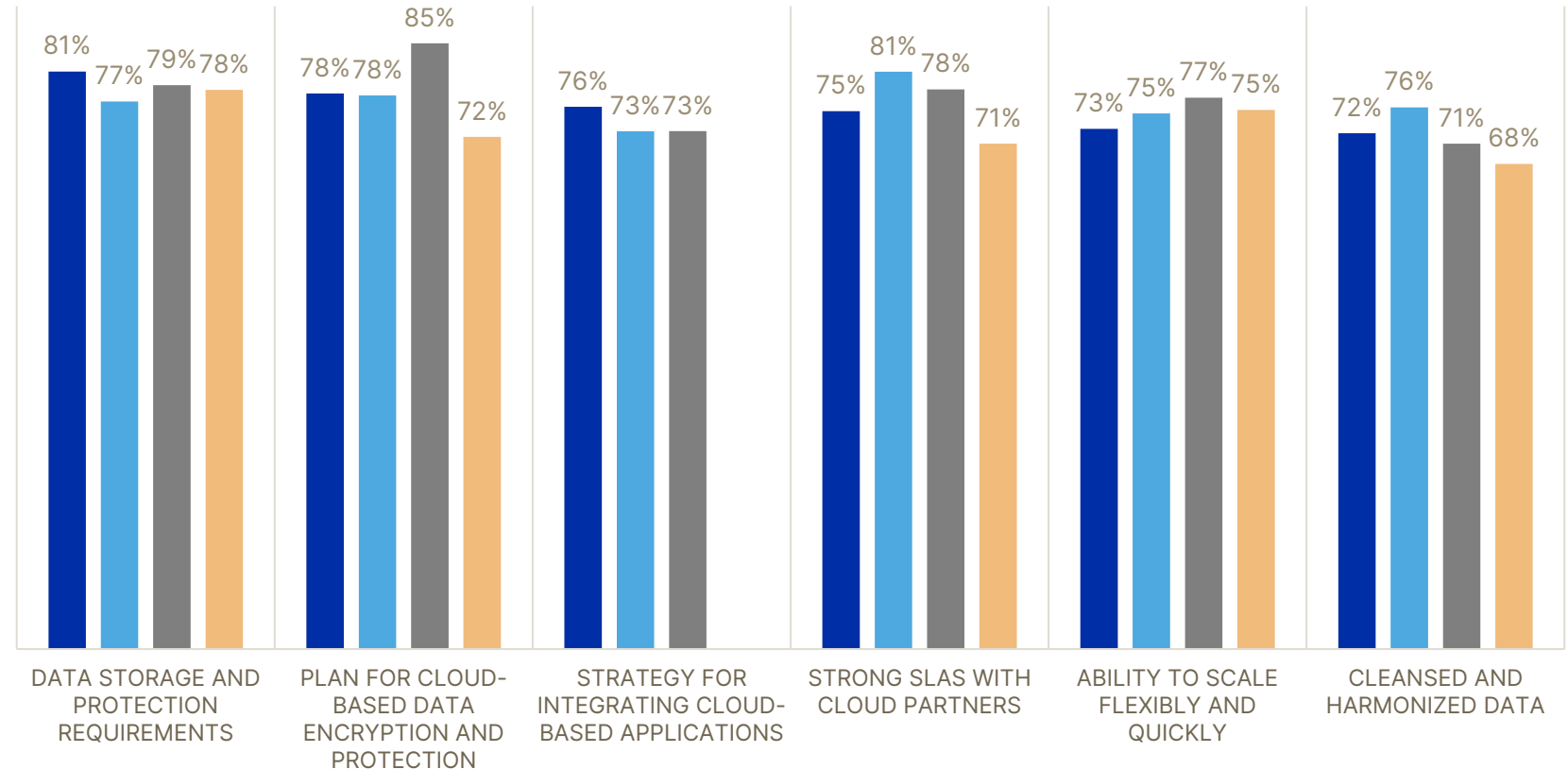
## 10

Even though security may not be the primary reason for organizations to move to the cloud, ensuring that those cloud environments are secure is a top requirement for any cloud deployment.

Start cloud planning with security. This will ensure that projects are not delayed while security is considered and implemented.

## Requirements for Cloud Deployment

■ 2023 ■ 2022 ■ 2021 ■ 2020



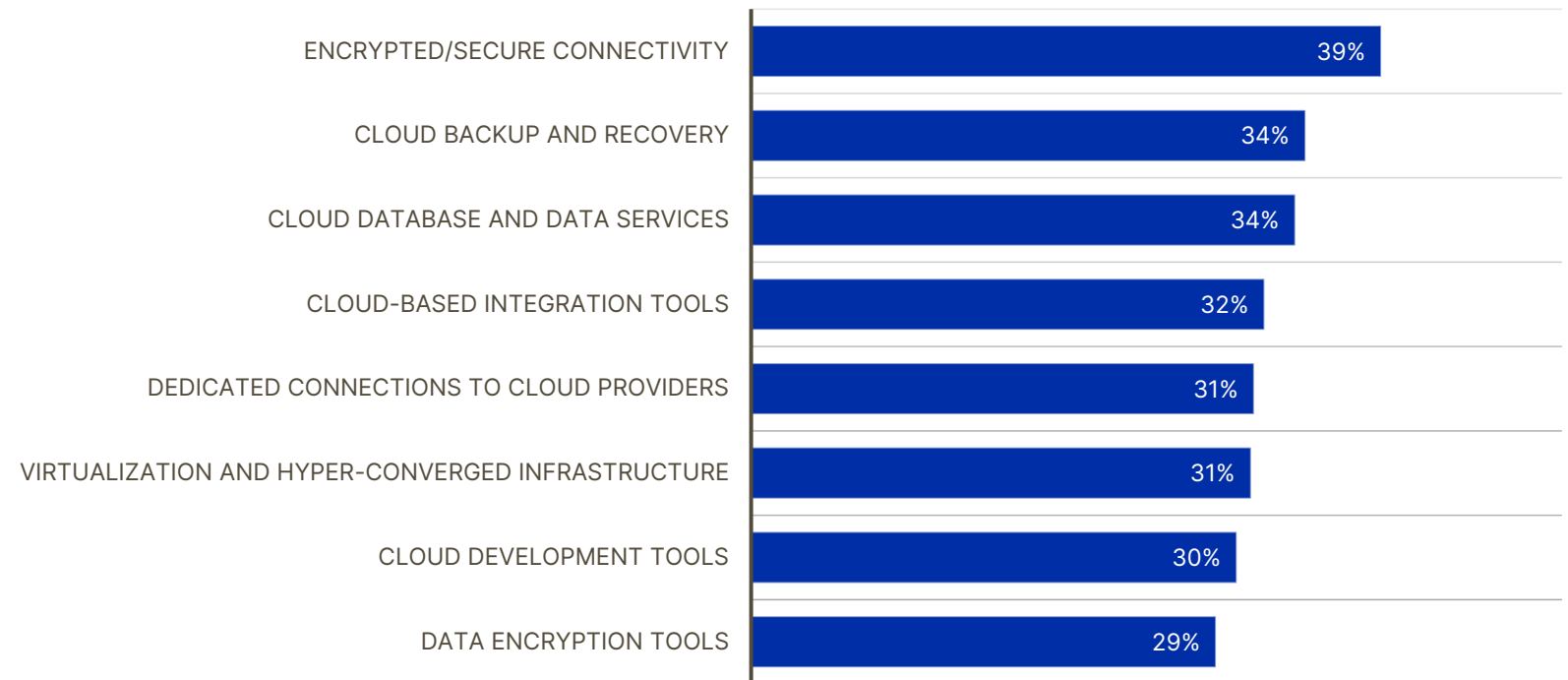
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Cloud environments offer increased resilience for organizations, both in terms of potential disaster recovery, but also by reducing the need for planned downtime.

Utilize technologies that boost these advantages and create a highly resilient and secure environment.

## Technologies Being Used for Cloud Deployment



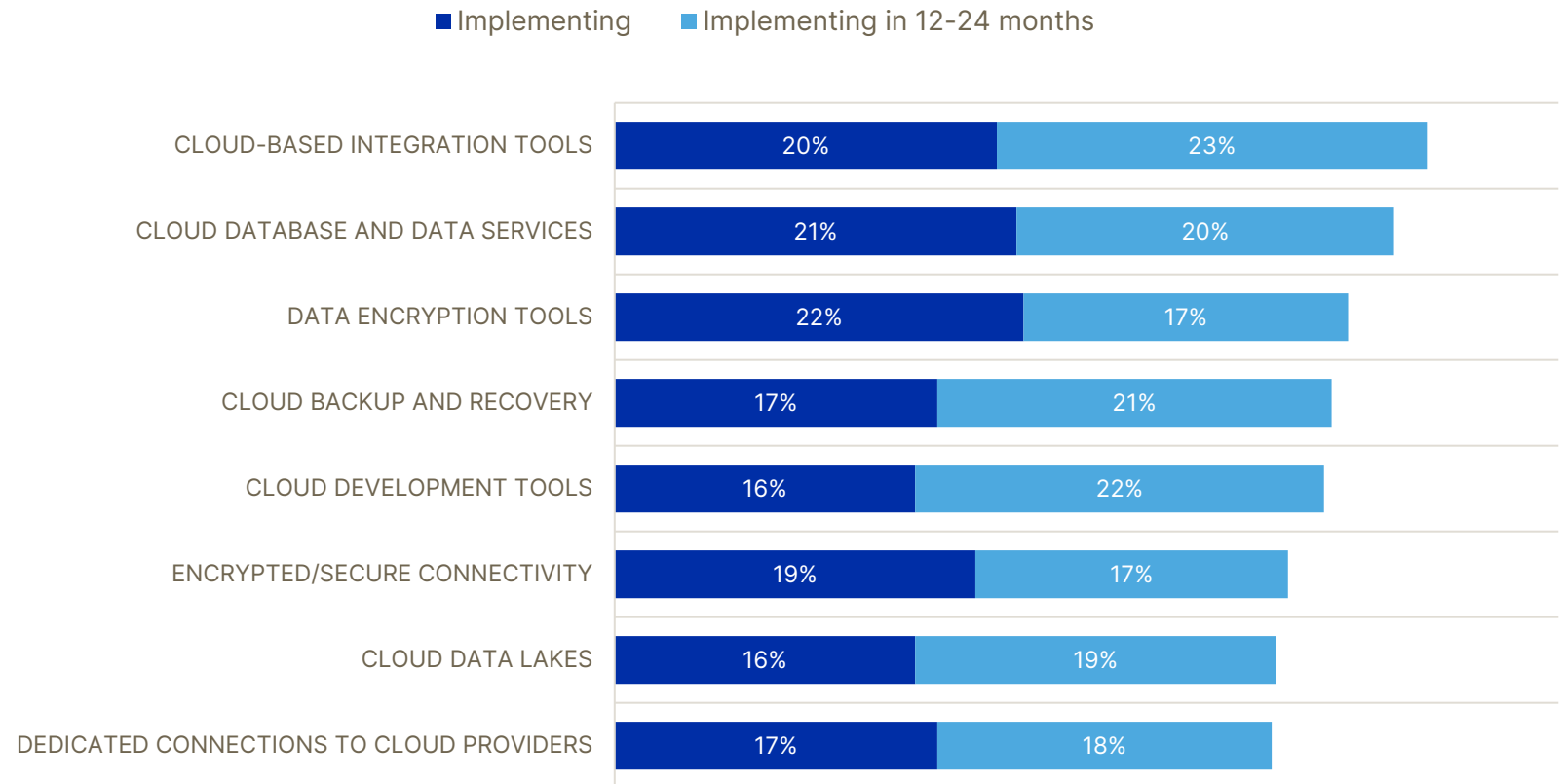
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## 12

As workloads move to the cloud, there is a greater need to connect those new systems to existing environments. This may be an interim measure but could be ongoing depending on other infrastructure plans.

Ensure that plans are in place to integrate cloud workloads with existing solutions and environments.

## Technologies Being Implemented for Cloud Deployment



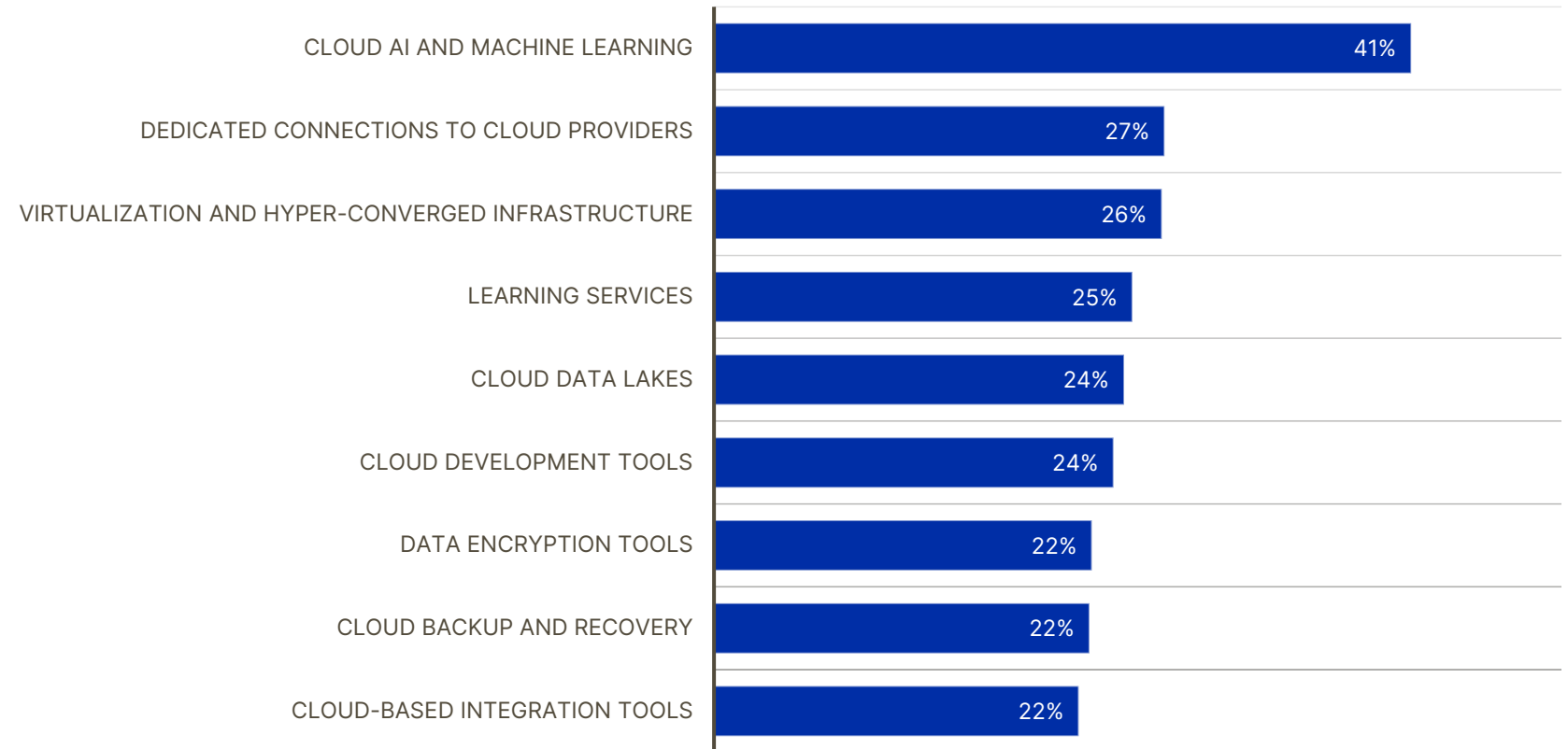
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**13**

Companies like SAP have included AI capabilities in solutions for years, but organizations looking to leverage innovations like generative AI will need to look at cloud environments as they are the only environments that can support these capabilities.

Evaluate whether technologies like generative AI are appropriate and whether they can be leveraged.

## Technologies Being Evaluated for Cloud Deployments



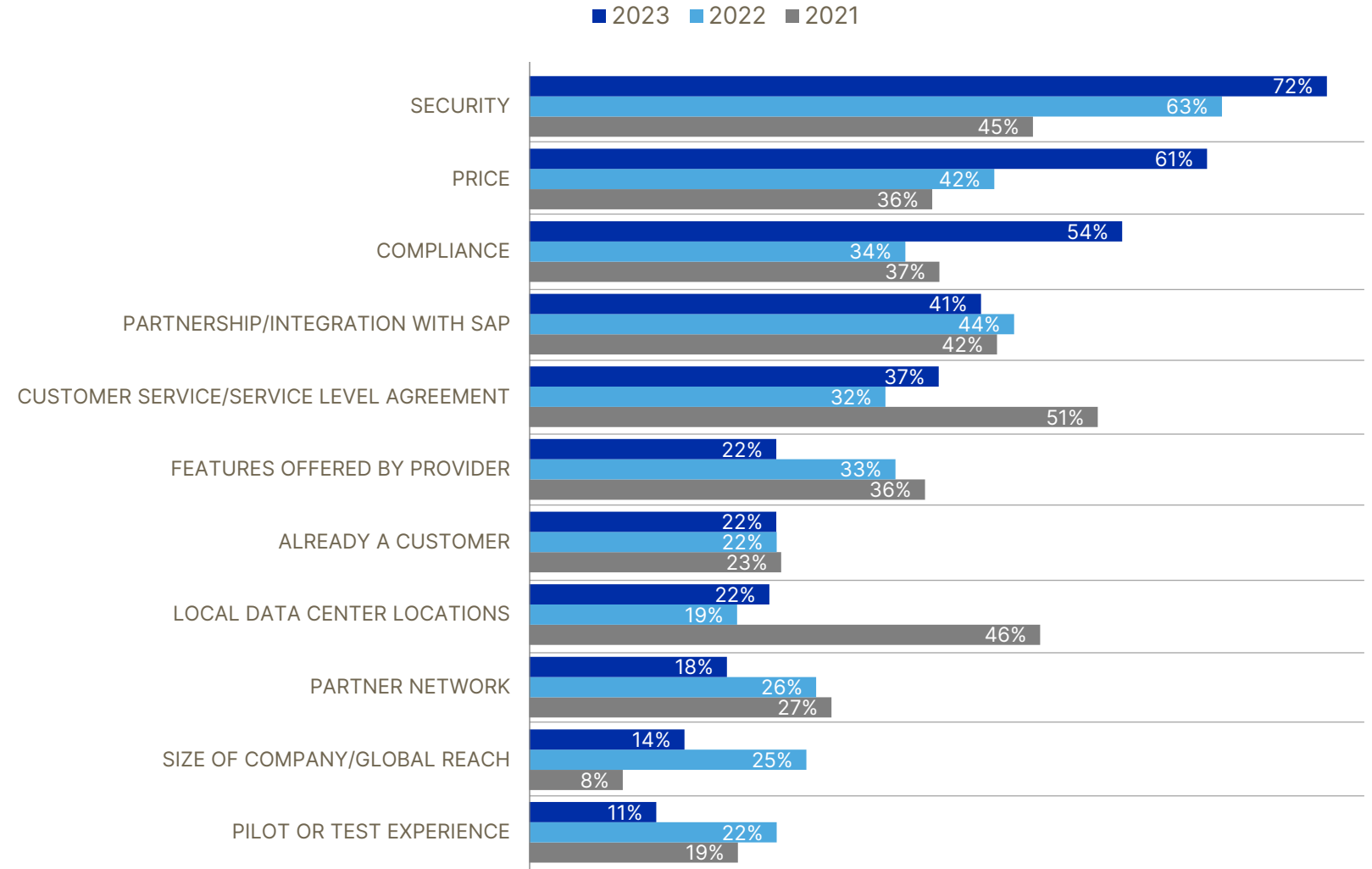
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## 14

Security and cost remain the top two factors when it comes to selecting a cloud service provider. But compliance is now nearly as important.

Organizations must thoroughly evaluate any provider, particularly private cloud providers, to understand how they support security and compliance needs. This must be offset against the cost of using the provider.

## Most Important Criteria for Selecting a Cloud Service Provider



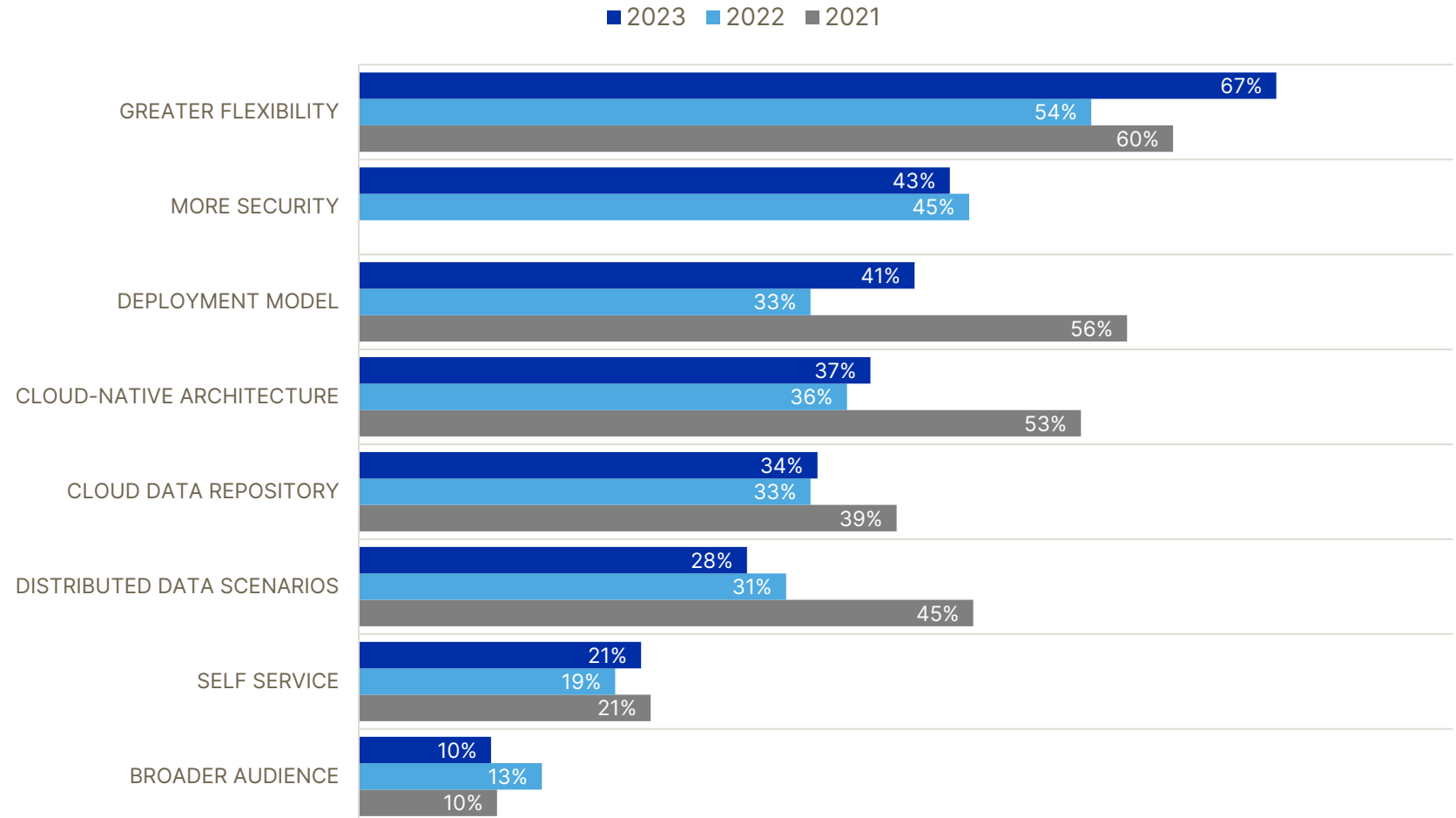


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## 15

Cloud environments offer significant flexibility, especially when organizations need to rapidly deploy new instances or scale back usage of unused systems. This can be a huge benefit for an SAP system. Even when simply doing a lift and shift of an existing solution, organizations can gain significant benefits from the move to the cloud.

### Factors Impacting Moving SAP Workloads to the Cloud

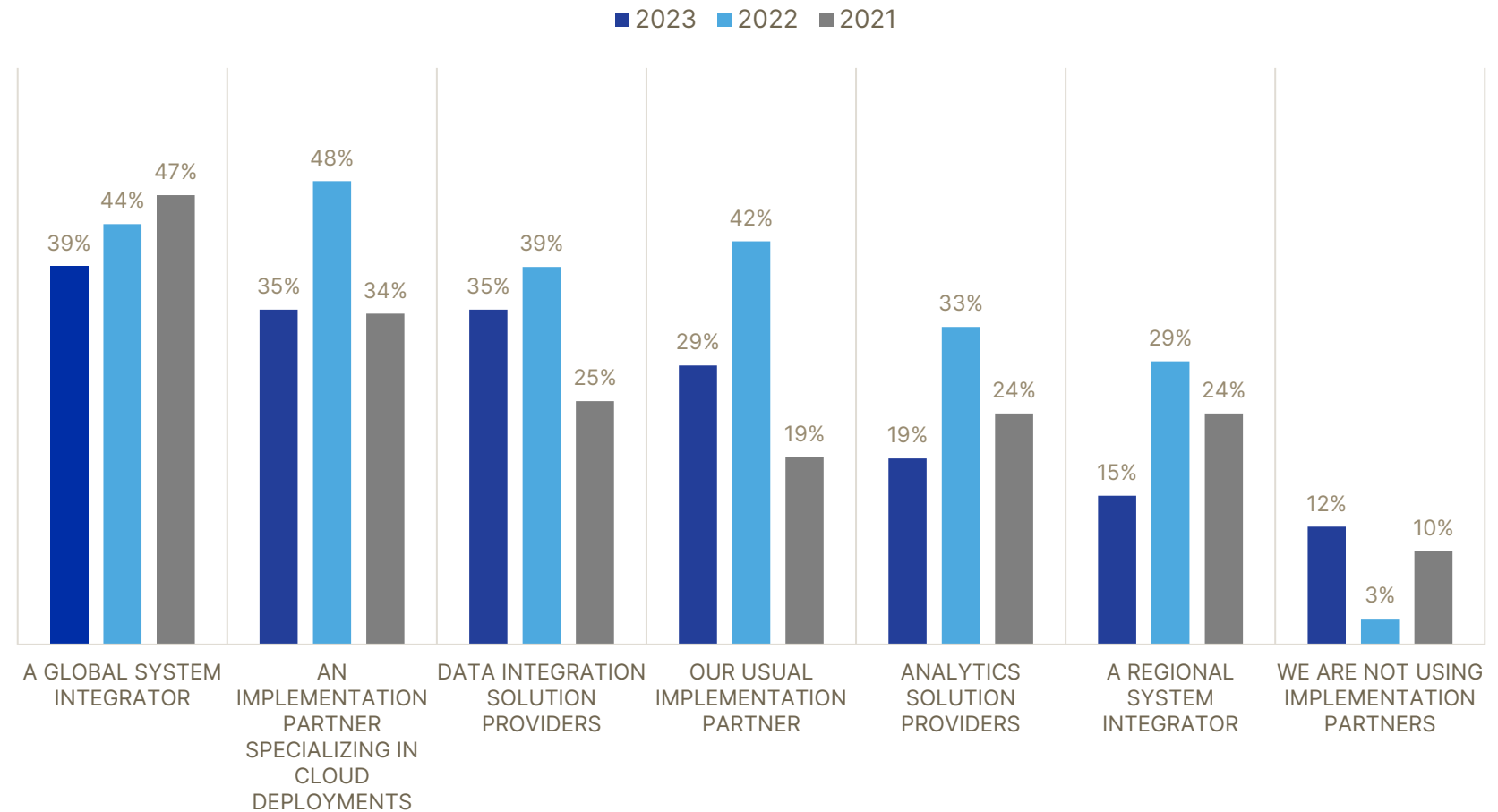


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Selecting the right partner for any deployment is critical to that project's success. This can start with a global system integrator but, as with the move to SAP S/4HANA, organizations are also looking to leverage partners that offer specialization in these areas. They can usually provide insights into cloud usage that a more generalized system integrator may not. Taking the time to understand which is best for any project is key for any organization embarking on a cloud deployment.

### Types of Implementation Partner Planned to be Used to Support Cloud Deployments

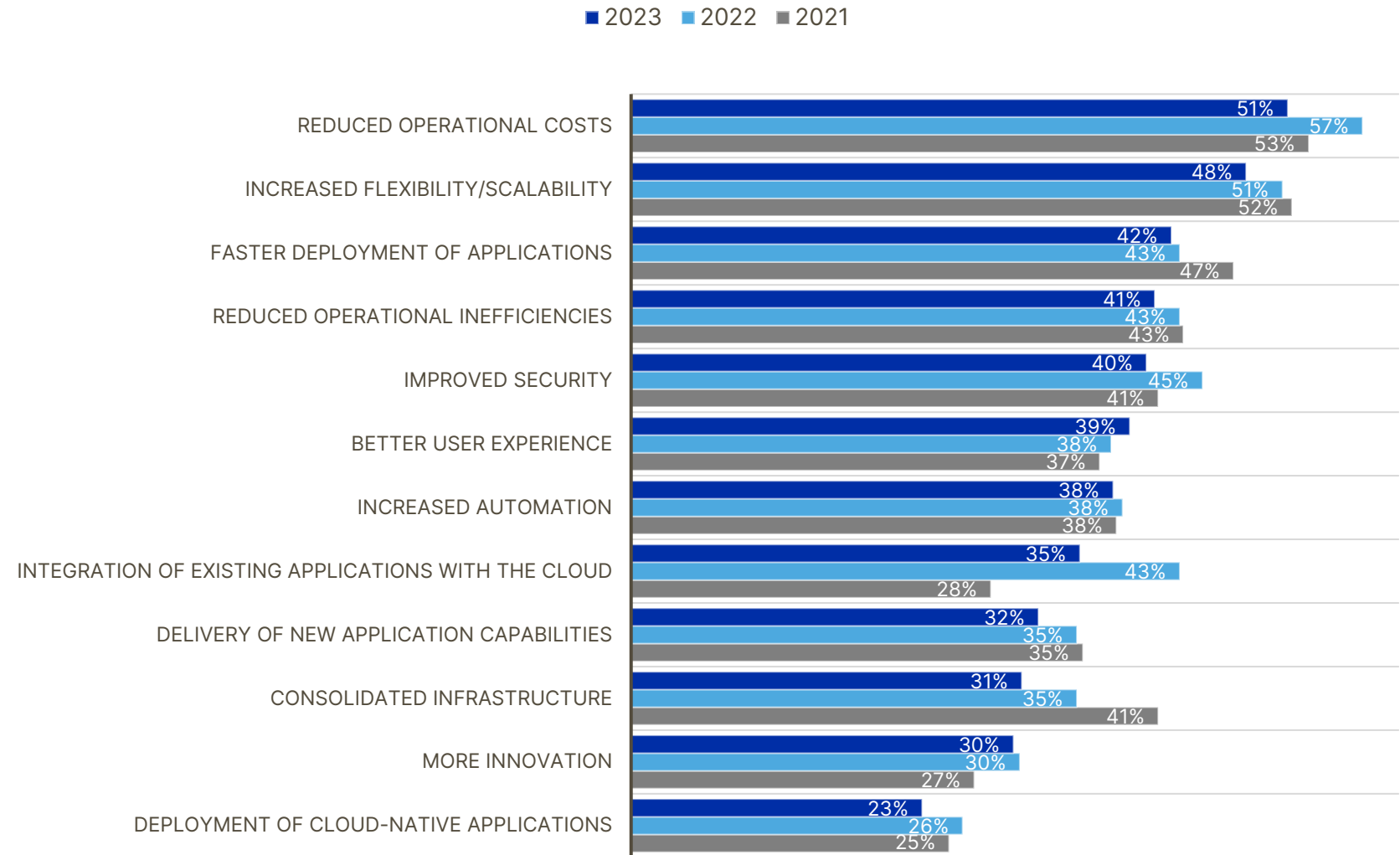


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Only by understanding the success criteria is it possible for an organization to determine whether a project has achieved its goals. Start cloud projects by clearly defining what goals should be met and how those goals will be measured. Cost-related KPIs may be easy to measure, but if flexibility is a key success criteria how will that be measured?

## Measurement Criteria for Cloud Initiative Success

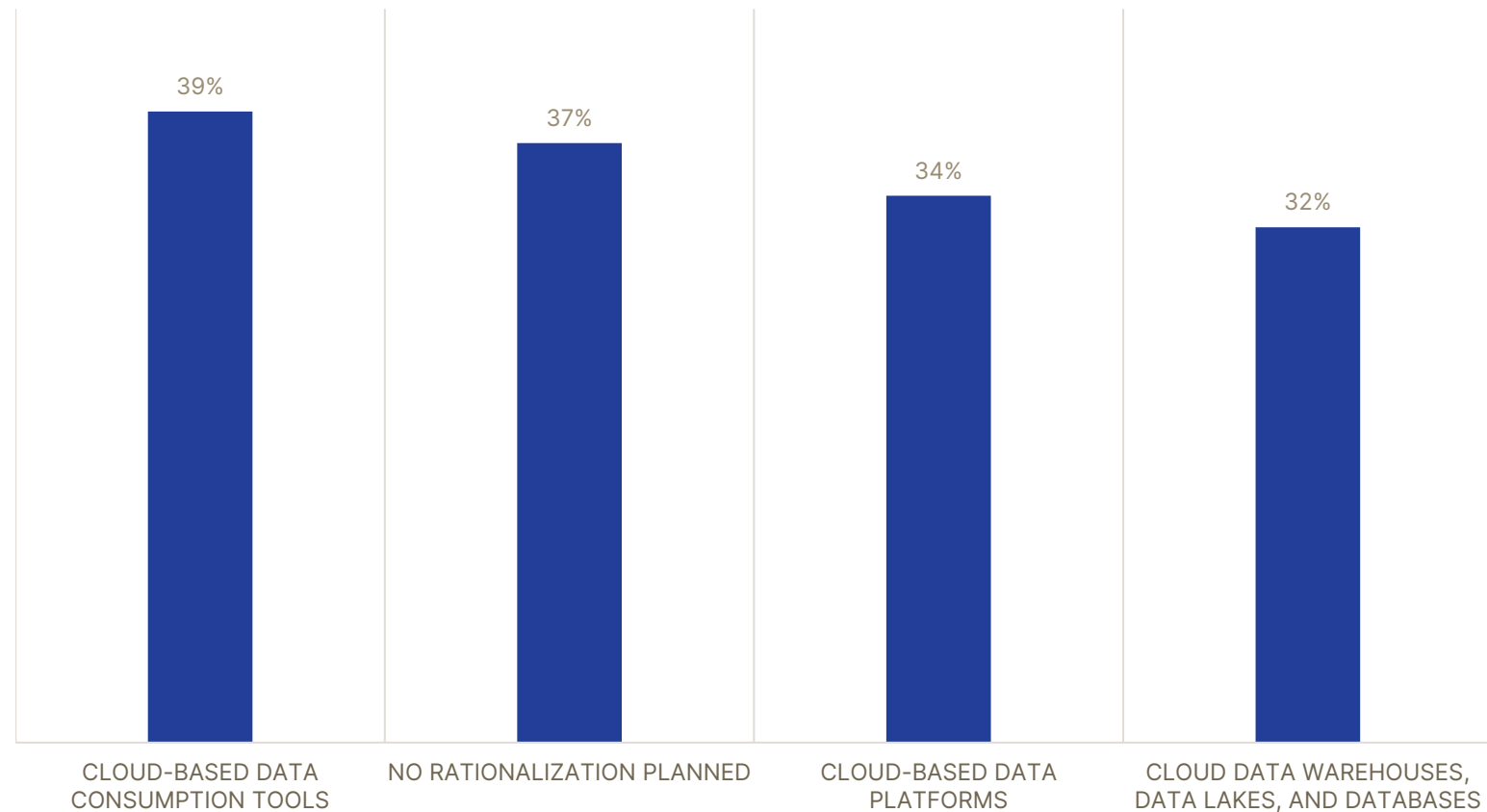


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**18**

Moving to the cloud is a perfect opportunity for organizations to rationalize connected technologies like data consumption tools, data platforms, and data lakes or databases. This is especially true when most cloud providers offer capabilities in these areas. Taking the time to determine whether this should be part of a cloud project can help build a platform for the future.

## Plans for Rationalization of Data Consumption, Data Platforms, or Data Warehouses When Moving to the Cloud

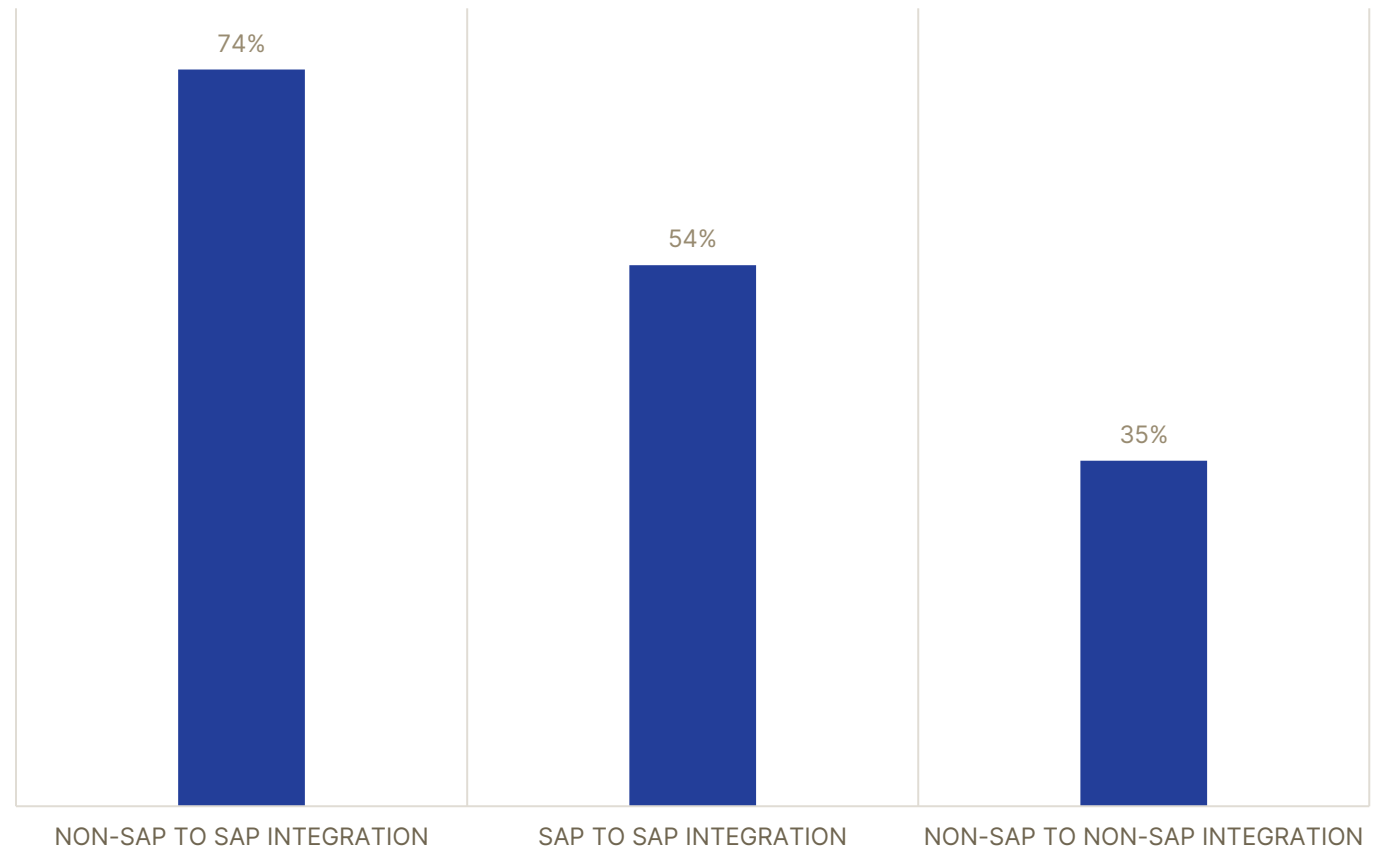


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Most SAP customers are integrating non-SAP workloads into their SAP environments, demonstrating that most are utilizing best of breed solutions in their organization. Organizations need to ensure that the tools they use for integration provide the capabilities they need for both today and the future.

## Integration Scenarios Currently Being Supported

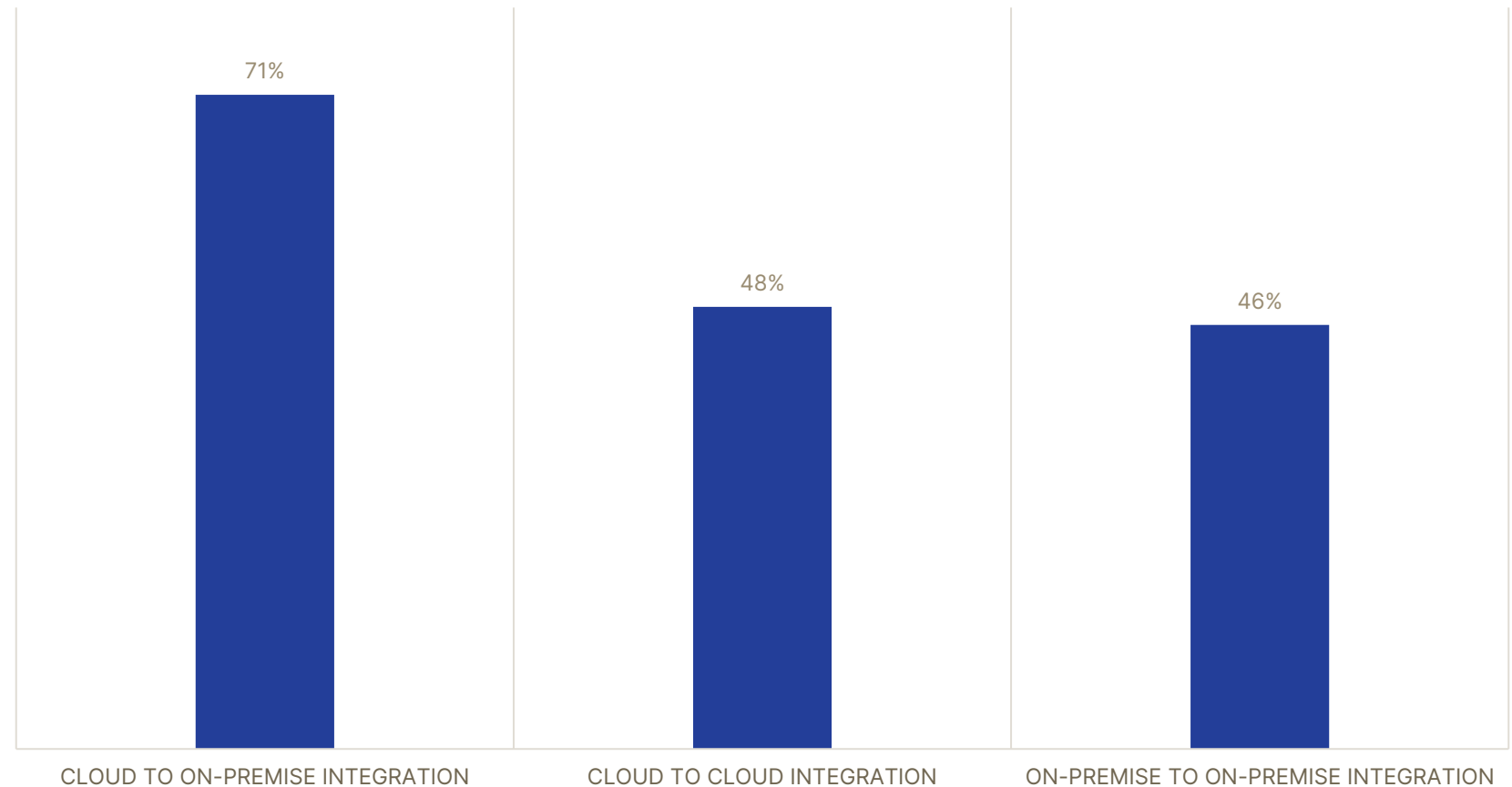


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Whether these scenarios only need to be supported for the next few years, until existing on-premise workloads have moved to the cloud, or for an extended period, ensuring that there is an understanding of integration needs is crucial.

### Types of Integration that Need to be Supported

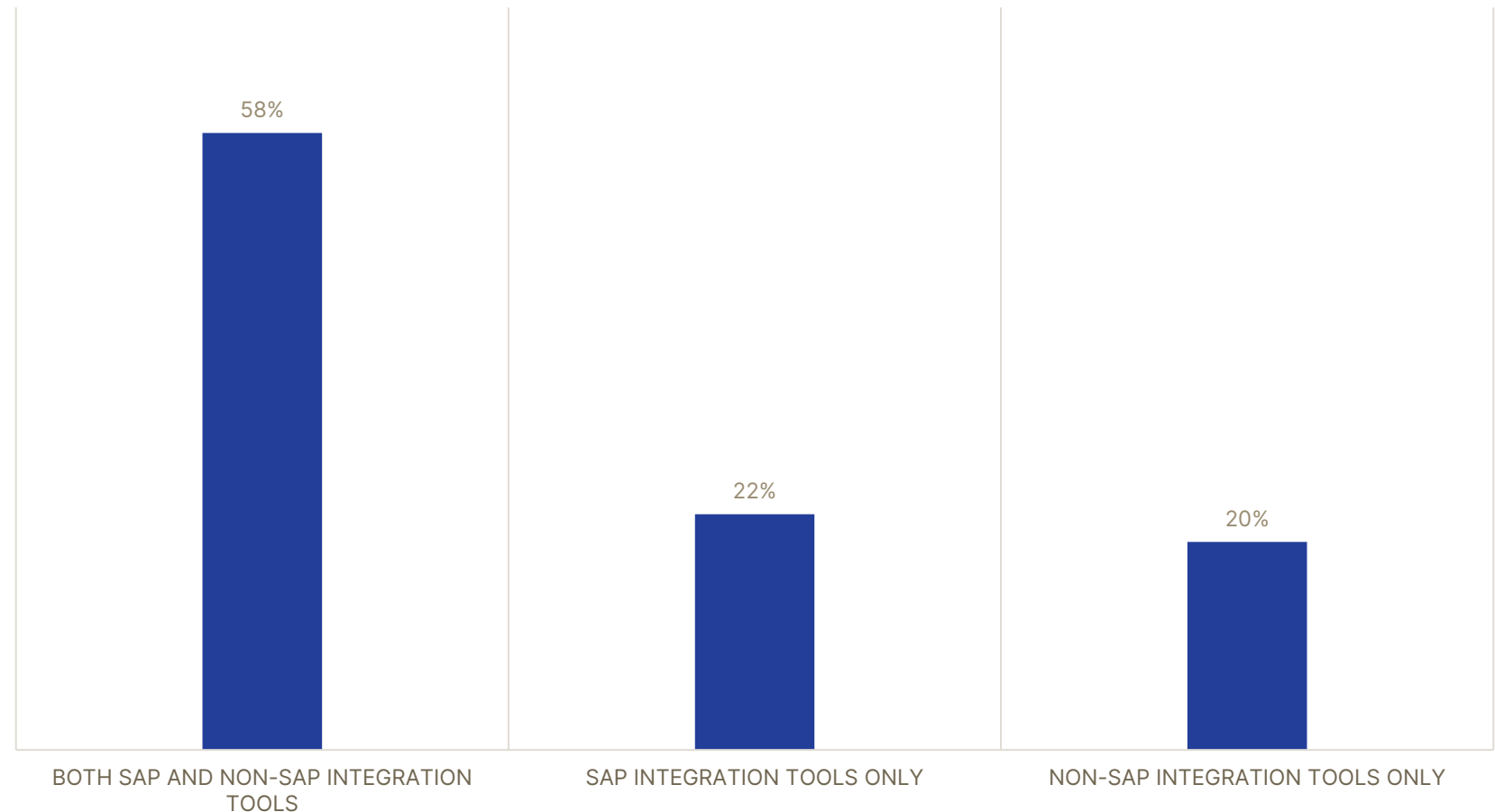


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While many organizations have been running integration tools like PI/PO for years, these likely do not offer the capabilities they need to integrate cloud-based systems. This is why there is a mixture of both SAP and non-SAP integration solutions in use by most organizations. SAP has continued to update the SAP Integration Suite, but it is still primarily focused on SAP-to-SAP integration.

## Integration Tools Planning on Being Used to Integrate Cloud-Based Systems and Data



# THANK YOU

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# SAPinsider



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