
BENCHMARK REPORT

by Robert Holland **November 2023**

RISE WITH SAP 2023



RESEARCH PARTNER



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Insider Perspective

“We are currently using an industry specific version of SAP ECC and are not sure whether this is currently supported through RISE with SAP. If RISE with SAP does support our industry version, then we would be interested in converting to it quickly. We are looking for SAP to give us confidence in a move to RISE with SAP and to help us perform the upgrade. That would make us very comfortable with the move.”

— MANAGER — BUSINESS APPLICATIONS, CLOTHING MANUFACTURER

OVER THE LAST TWO YEARS, RISE with SAP went from being a somewhat confusing business-transformation-as-a-service offering to the core of SAP’s cloud ERP strategy. To further demonstrate the value of the offering, SAP recently announced RISE with SAP Premium Plus. It provides access to a new embedded generative AI assistant called Joule, new sustainability features, and advanced finance and cash flow capabilities. SAP also revealed that there are now more than 4,300 RISE with SAP customers. But does RISE with SAP resonate in the broader SAP community?

SAPinsider surveyed 229 members of its community between August and November 2023 to generate insights on understanding of RISE with SAP and how it plays into the plans of the SAPinsider community. When SAPinsider first started researching RISE with SAP there was limited knowledge about the offering, and a significant proportion of respondents claimed to know little about it. That changed over the last two years, and this year only 7% of respondents reported that they were not at all familiar with RISE with SAP (**Figure 1**).

While familiarity with RISE with SAP is growing across the SAPinsider community, four in ten respondents still report only being somewhat familiar with the offering. However, that is offset by the fact that more than half the respondents are now familiar or very familiar with RISE with SAP. There was a significant increase in those who report that they are very familiar. A large part of this change is likely due to the fact that it has been three years since RISE with SAP was released, but this year has also seen a significant increase in messaging and importance from SAP.

Looking at the components that make up RISE with SAP, respondents continue to report that they know the most about SAP S/4HANA Cloud. As was the case last year, more than seven in ten respondents reported having at least an intermediate level of knowledge about the ERP core of RISE with SAP. What changed significantly is that SAP Business Technology Platform (BTP) is now second from a knowledge perspective. This is a significant jump from 2022 when SAP BTP was fourth on the list.

Figure 1: Familiarity with RISE with SAP

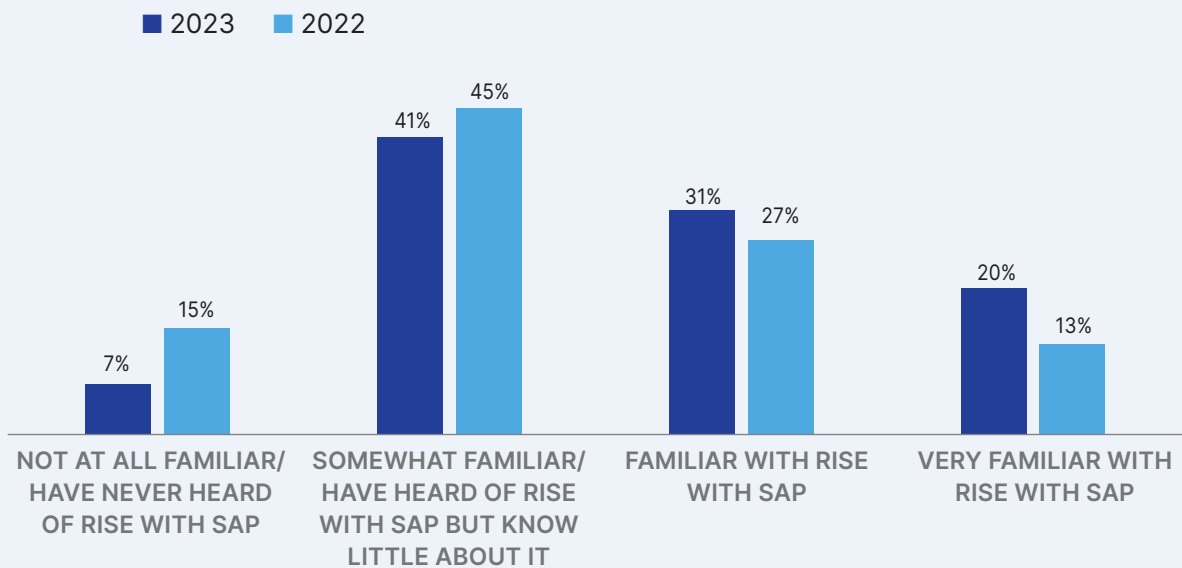
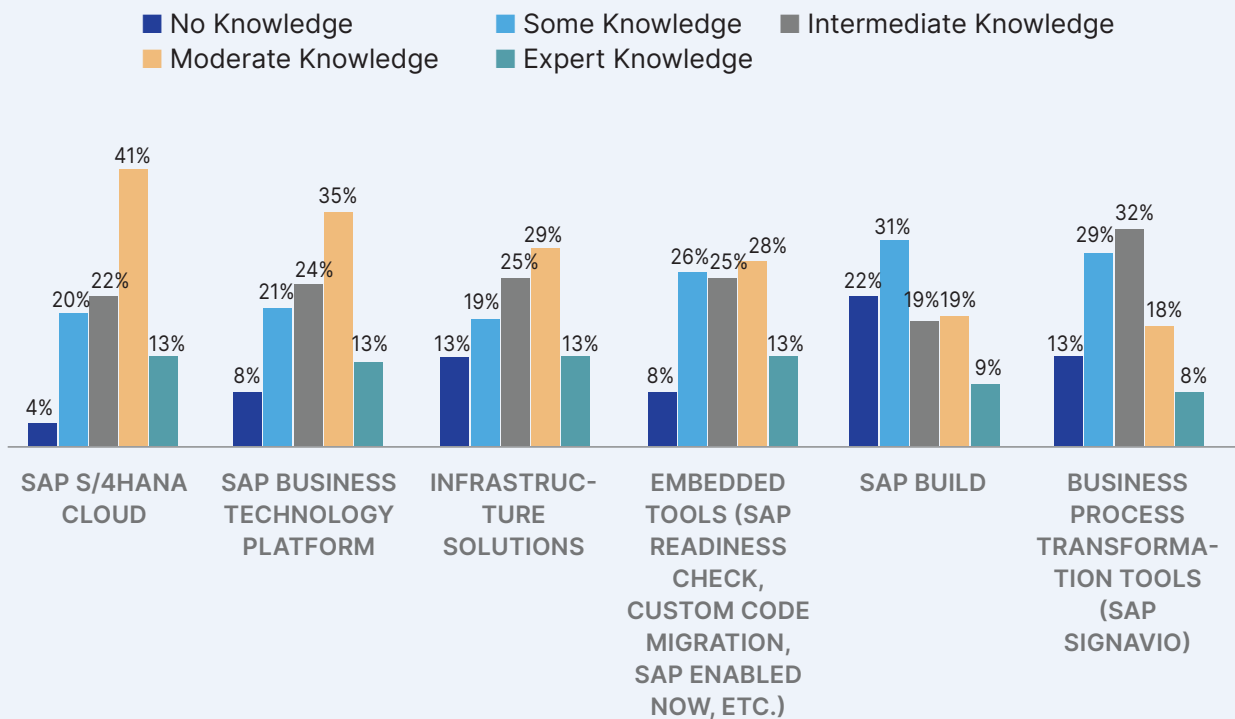


Figure 2: How Much Do You Know About the Components of Rise with SAP?





What also changed since last year is the introduction of SAP Build to both the RISE with SAP and GROW with SAP offerings. Announced at TechEd 2022, SAP Build now provides low-code and pro-code solutions built on SAP BTP and offers a platform for those looking to optimize processes, augment SAP S/4HANA Cloud with new applications, or even create role-based desktops. Given that it is relatively new to the SAP portfolio, it is no surprise that SAP Build is less well-known among respondents.

Despite SAP Signavio being central to SAP's messaging around business process transformation and optimization, the parts of SAP Signavio that are embedded in RISE with SAP remain one of the least familiar parts of the offering. While there has been a slight increase this year in the proportion of respondents who report at least intermediate knowledge of the SAP Signavio tools included in RISE with SAP, more education is required in this space. SAP's emphasis this year has been on SAP BTP and the value it brings to the broader SAP ecosystem — from helping achieve a clean core to data and AI. While this helped drive significant growth in SAP BTP customers, there are now more than 22,000 live, it has focused customer attention on that part of the portfolio.

In a change from the last two years, the single contract that RISE with SAP offers has become the factor that respondents identified as providing the most benefit (**Figure 3**). The single contract is something SAP touted as one of the biggest benefits of RISE with SAP since its release, as it provides everything a customer needs through that one contract. However, for the last two years customers have focused more on the potential cost benefits that RISE with SAP could offer. While cost is still a potential benefit, fewer respondents now see this as a likely result of using RISE with SAP.

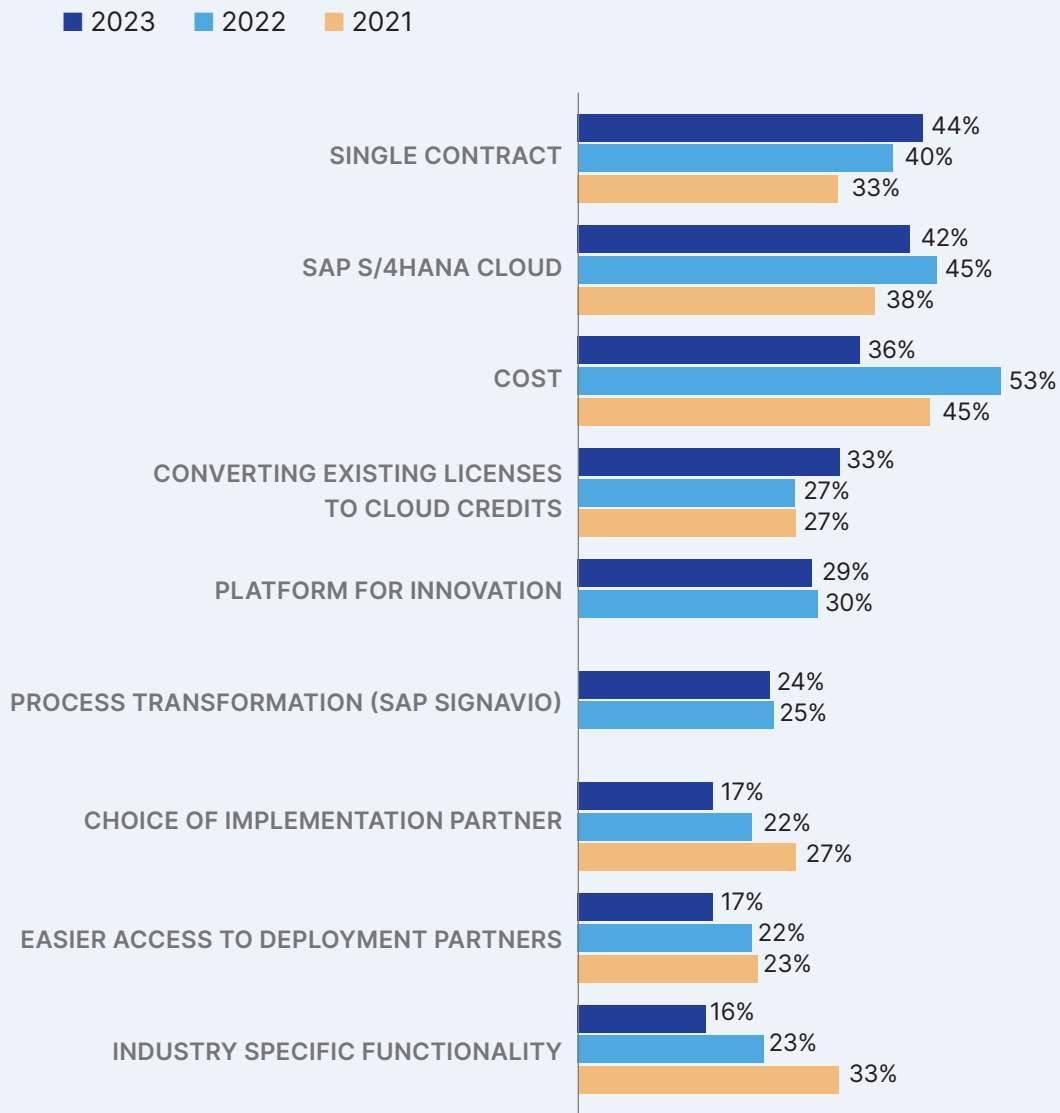
However, respondents tend to view potential benefits differently depending on whether their organization has annual revenues above or below USD 2 billion. Smaller organizations see SAP

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“We are in two minds about RISE with SAP. It feels as though moving to RISE with SAP will make us totally dependent on SAP, and we are concerned that, in the end, partners will be eliminated and there will be less diversity. The motivator for RISE with SAP is cost and reliability. SAP is interested in modernization, but I do not believe that customers will be able to keep up with the implementations. For example, we are still on SAP ECC EHP6.”

— TECHNICAL LEAD, MANUFACTURING COMPANY

Figure 3: What About RISE with SAP Provides the Most Benefit?



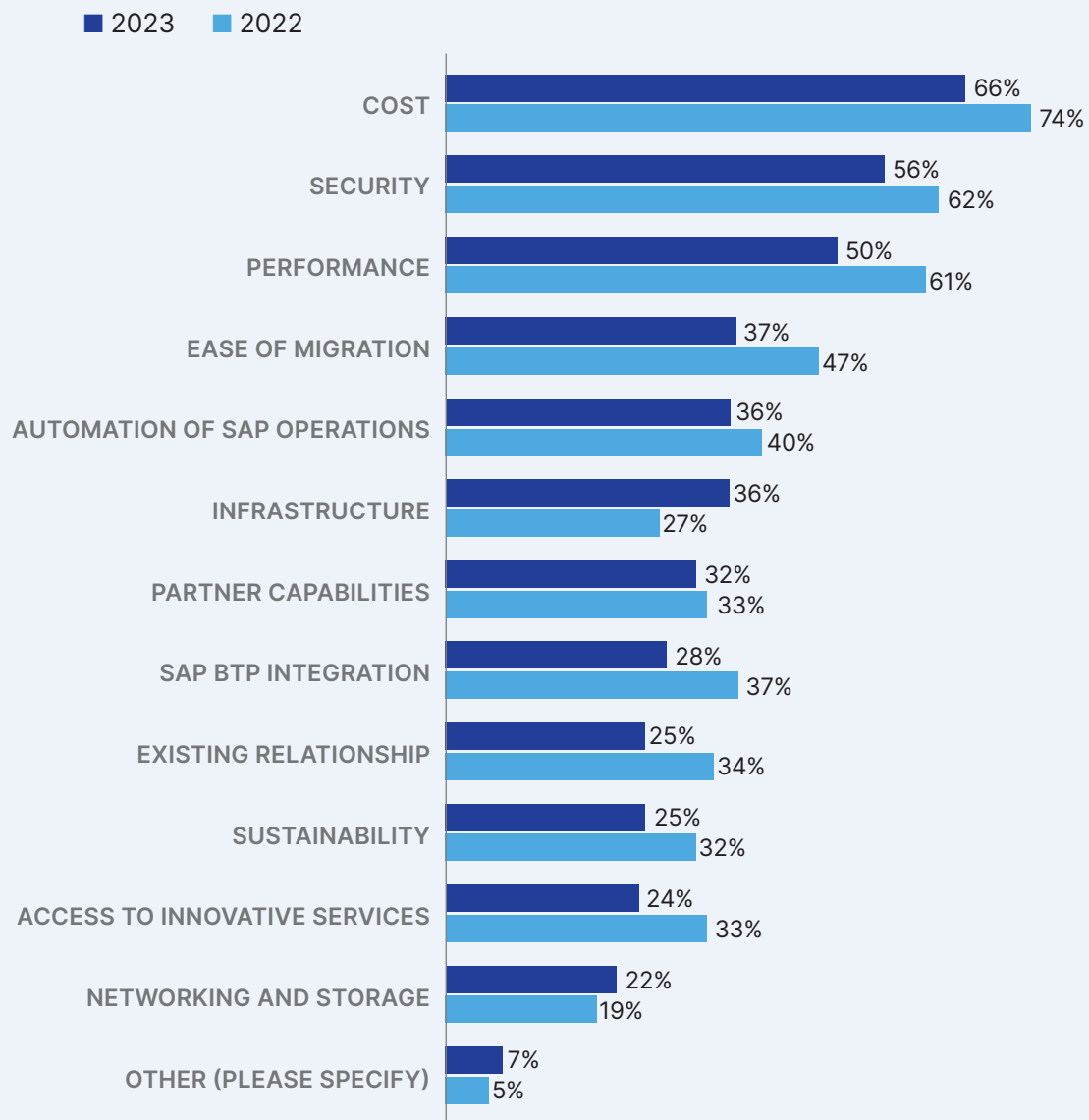
S/4HANA Cloud (45%) as the biggest potential benefit. This was followed by the single contract (42%). Larger organizations saw the single contract as a much larger potential benefit (49%), followed by the ability to convert existing licenses to cloud credits (37%) which was equal with SAP S/4HANA Cloud (37%). For these larger organizations, cost was only the fourth most likely benefit they expected to gain from using RISE with SAP.

In conjunction with respondents being less likely to see cost as a benefit of using RISE with SAP, nearly two thirds of respondents (63%) highlighted cost as an area of concern about the offering. This represented a 15% increase year-over-year, a very significant jump. Cost was the biggest potential concern for organizations of all sizes, but for larger organizations this was closely followed by the lack of control that may result from using RISE with SAP. Smaller organizations were more concerned about how

they might secure RISE with SAP and for them the lack of control was fifth in the list of concerns behind connectivity to other cloud solutions and the ability to leverage data inside and outside RISE with SAP.

Just as cost is both a potential benefit and concern when it comes to RISE with SAP, cost is also the most important factor that respondents report that they will use when selecting a cloud provider for a RISE with SAP implementation (**Figure 4**). Two thirds of respondents said that cost would likely be the biggest factor when choosing a cloud service provider for RISE with SAP, with respondents from large organizations more likely to list this as a concern than those from smaller organizations. Beyond cost, respondents from larger organizations were more concerned about the security capabilities offered by the cloud provider while those from smaller organizations were more focused on performance.

Figure 4: Most Important Factors When Choosing a Cloud Provider for RISE with SAP



Although 91% of respondents indicated that they were likely to leverage additional services from the cloud provider they selected for RISE with SAP, access to innovative services was only important to 24% of respondents. This is likely because, while most organizations are likely to leverage these services from the cloud provider they use, factors like cost and security are more important to the decision than services that are available. That said, access to innovative services is fifth on the list of priorities for larger organizations while it is eleventh for smaller companies, suggesting that larger organizations are much more likely to leverage these services.

Conversely, respondents from small organizations ranked infrastructure fourth on the list of most important factors when selecting a cloud provider, but infrastructure ranked only eleventh for respondents from large organizations. Since many large organizations are already leveraging services from hyperscalers, and many already have enterprise agreements in place, there is much less need for infrastructure capabilities when moving to RISE with SAP. Smaller organizations may not already be leveraging services from hyperscalers and so have a greater need for infrastructure capabilities.

This year's survey also revealed the following trends:

- The majority of respondents (71%) reported that their organization was aware of SAP's clean core strategy, although only 18% said that their organization was actively using it in a current project.
- Slightly more than half (52%) of respondents reported that they expected that SAP would manage all the security of a RISE with SAP deployment, but there was a significant split based on the size of the organization. We found 64% of respondents from small organizations said that they expected SAP to manage all security, which would make sense if they were using SAP S/4HANA Cloud, public edition. On the other hand, 61% of respondents from larger organizations said that they did not expect SAP to manage all security, which would align with using SAP S/4HANA Cloud, private edition.
- In a significant jump from the last two years, 49% of respondents reported that they were concerned that using RISE with SAP would limit their choices around other enterprise solutions. Only 20% reported that they did not have these concerns, while 31% did not know whether using RISE with SAP would limit their choices.

REQUIRED ACTIONS

Based on the survey responses, organizations should make the following plans around their strategies for moving to the cloud:

- **Plan for RISE with SAP to be the default model for moving to SAP S/4HANA.** For most of the last eight years, SAP customers

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“Our organization is working on a five-year price reset cycle which determines our strategic and budget direction. Given those constraints we have decided to not to move to RISE with SAP at this time, although we plan to review this decision in 2030.”

**— HEAD OF SAP CAPABILITY,
ENERGY COMPANY**

have chosen to license and deploy the on-premise version of SAP S/4HANA. The environments used for this deployment have varied; in many cases it was in a private cloud or hyperscaler infrastructure-as-a-service environment, but a traditional perpetual license was what most customers used. This is changing because SAP is making on-premise licensing significantly more expensive and is now limiting some innovations to only being available to customers on RISE with SAP contracts. Given these changes, organizations must prepare for the eventuality that RISE with SAP could well become the only way to move to SAP S/4HANA at some point in the future.

- **Learn about RISE with SAP before a decision needs to be made on whether to use it.** Although knowledge about RISE with SAP continues to grow within the SAP community, there are still many organizations that report that they are at best somewhat familiar with the offering. Given that SAP has focused their ERP and cloud transformation messaging around RISE with SAP, it is imperative that organizations understand the offering and what it is so that they can make an informed decision when the time comes. With thousands of customers likely needing to decide about their ERP future over the next few years, being as informed as possible about alternatives is crucial to making the best decision for any organization.
- **Understand the security requirements for RISE with SAP and whether or not SAP is responsible.** Slightly more than half the respondents to this research indicated that they expected that SAP would manage all the security for their RISE with SAP deployment. While this may make sense if using SAP S/4HANA Cloud, public edition, it is vital that any organization either moving to RISE with SAP or putting enterprise workloads in the cloud have a thorough understanding of their responsibilities when it comes to security. SAP has created a document that walks customers through responsibilities when it comes to security in RISE with SAP, but a good starting point would be to review webinars and materials that discuss the topic on the SAPinsider site.

STRATEGY AND NEEDS FOR ERP AND INNOVATION



DRIVERS

- Upcoming end of maintenance of core SAP ERP systems (41%)
- Need to update and improve existing business processes and create new operational efficiencies (33%)
- Need to modernize mission critical systems without disruption or creating business risk (29%)
- Pressure to replace legacy infrastructure while reducing costs and limiting capital expenditure (26%)



ACTIONS

- Redesigning IT platform and architectures to lower costs and increase flexibility (54%)
- Architecting a unified IT landscape to provide better movement and integration of data (51%)
- Implementing transformed and standardized end-to-end processes for core ERP users (43%)
- Updating and redesigning processes as part of a new ERP implementation (38%)



REQUIREMENTS

- Business process models that meet regulatory requirements for data management (68%)
- Best practice compliance checks that avoid outages (68%)
- A partner with experience migrating and managing transactional and historical data (67%)
- Comprehensive monitoring to ensure system health and security (67%)
- Ability to use the implementation partner and service provider of my choice (66%)
- A proven partner with experiencing implementing cloud ERP (64%)



TECHNOLOGIES

- High Availability and Disaster Recovery (54%)
- Managed infrastructure environments on-premise (49%)
- Cloud-based platforms and infrastructure (42%)
- Software-as-a-Service deployments (33%)
- Data cleansing tools (25%)
- Infrastructure automation (25%)
- Custom code lifecycle management (24%)
- Cloud-based ERP (20%)
- SAP managed and tuned infrastructure (17%)
- Business process transformation tools (16%)

Appendix: 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 is 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 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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