

MAY 2025

SAPinsider

RESEARCH REPORT

The Technology Leader's 2025 Agenda for SAP

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EXECUTIVE SUMMARY

TECHNOLOGY LEADERS AT SAP CUSTOMER ORGANIZATIONS

are facing much change in 2025 and beyond. The end of mainstream maintenance for SAP ECC looms, compelling companies to transition to SAP S/4HANA. Meanwhile, artificial intelligence (AI) is rising in the enterprise technology world, with vendors like SAP building AI tools, embedding AI into their systems, and creating platforms for custom AI innovation. The emergence of AI has brought it to the forefront of technology leaders' minds as they plan their investments and staffing.

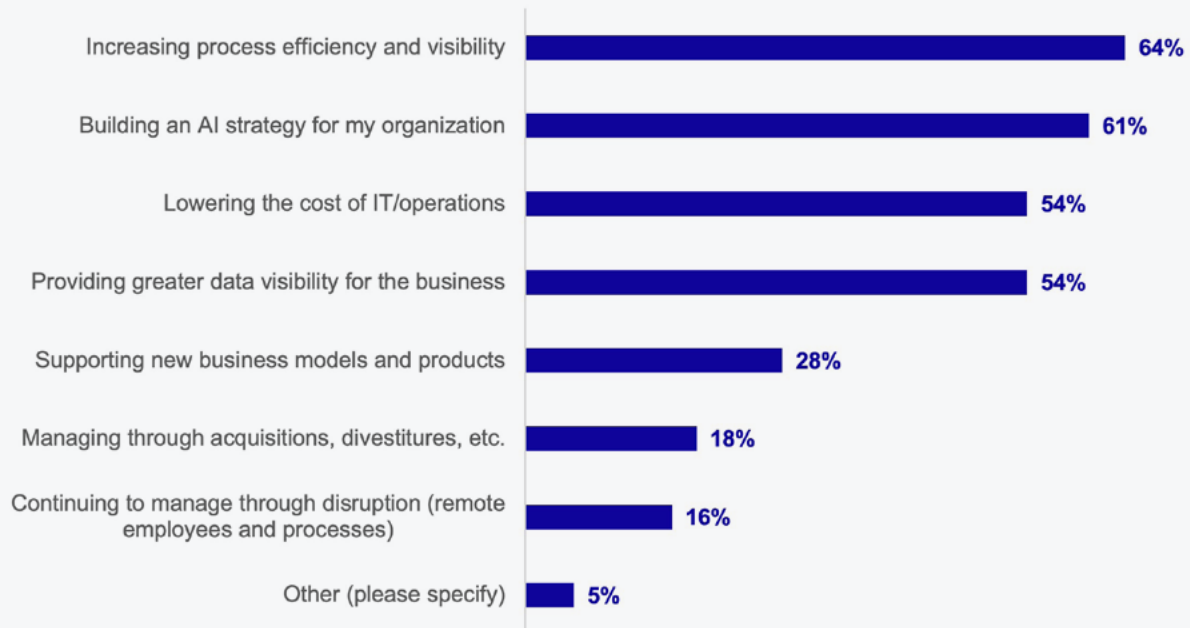
In April and May 2025, SAPinsider surveyed technology leaders across various industries and regions about their agendas for SAP and SAP-adjacent technologies. This included their top challenges, priorities, and planned investments for 2025, as well as their strategies for SAP S/4HANA and AI. Throughout their responses, SAP S/4HANA, along with AI strategy and AI technologies, consistently emerged as core focus areas.

When it comes to top business priorities,

leaders frequently prioritize improving process efficiency and visibility, followed by developing an AI strategy, reducing IT and operational costs, and enhancing data visibility for their organizations. These priorities indicate that executives are primarily focused on how their organizations can leverage data and AI to create more efficient operations. Data and AI are generally interconnected, as two sides of the same coin—data drives the value that AI delivers, and AI cannot provide value without quality data.

FIGURE 1

What are the top business priorities you will be working on in 2025?



AI, process efficiency, and data are driving the most strategic SAP investments that technology leaders in our survey are making for 2025. Top investments include current AI and machine learning systems, SAP S/4HANA, new AI technology, software and infrastructure, and new analytics and data warehousing platforms.

Many move to SAP S/4HANA with clean core approaches to generate actionable data that feeds well into analytics and AI platforms. They are looking to abandon the heavily customized SAP ERPs of the past with data that can't be read from one system to another without heavy cleansing efforts to integrate systems and data architectures more—that's where investing in new data warehousing platforms comes into the picture. Some SAP customers have begun moving their data warehousing from traditional SAP BW to SAP Datasphere, particularly those with SAP S/4HANA.

In the realm of AI investment, companies strive to integrate AI functionality into all aspects of their employees' work, establishing AI as the primary user interface. This often involves implementing AI assistants like SAP Joule

or utilizing platforms such as SAP BTP to develop custom AI applications—typically built on the data stored in SAP Datasphere.

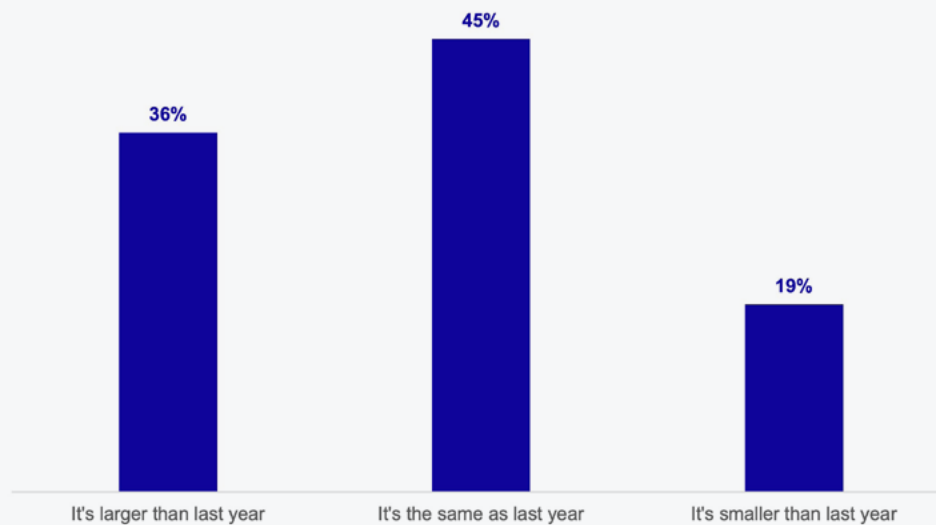
These prioritized investments represent an overall strategy for better processes and enhanced efficiency through cleaner data and improved AI capabilities. Most respondents plan to maintain or increase their SAP-related project budgets (**Figure 2**), with nearly double the percentage intending to increase budgets compared to those decreasing them. Even respondents who aren't raising their budgets are considering increased investment in AI. One respondent who doesn't plan to increase their budget indicated that spending is being reallocated to GenAI and no-code AI projects.

Even more companies plan to increase their SAP solution partner and service provider budgets as they seek external help to implement SAP S/4HANA, build and deploy AI tools, and automate business processes.

"We need to automate more in operations and finalize our SAP strategy so we can get moving forward," said one IT leader in the food packaging industry.

FIGURE 2

Describe your 2025 budget for SAP-related projects



When examining cloud investments specifically, cloud AI and machine learning are the leading planned investments among the leaders we surveyed, followed by process automation and intelligence. Tools for process automation and intelligence are increasingly integrating AI, so once again, AI and process efficiency dominate the conversation for technology leaders. The third-most cited cloud technology investment was integration platforms, which represented the most common SAP BTP functionality utilized among those surveyed in SAPinsider's SAP BTP Data, Integration, and Application Development report.

SAP S/4HANA Plans

The fourth-most often cited cloud technologies that respondents paid for investment this year was software-as-a-service solutions, one of which could be SAP S/4HANA Cloud Public Edition. RISE with SAP is an SAP solution that assists customers in migrating to SAP. S/4HANA, sometimes to the public cloud edition but also to more hybrid deployments.

Almost a quarter of respondents' organizations are currently using or expect to use RISE with SAP. Including those who will evaluate or are currently evaluating the service, more than

half are at some stage of considering or implementing RISE with SAP. Just under 30% have either no plans to evaluate RISE with SAP or do not understand it well enough.

Regardless of whether they are incorporating RISE with SAP, a quarter of respondents' organizations are currently implementing SAP S/4HANA, with just under one-third already using SAP S/4HANA in production. Additionally, another 30% are either evaluating SAP S/4HANA or are in the piloting or proof-of-concept stage. Only 14% of respondents stated they have no plans for SAP S/4HANA in 2025. Among those currently implementing SAP S/4HANA, one-third indicated they are using SAP RISE.

SAP S/4HANA and AI Impact Staffing

Whether a company plans to implement SAP S/4HANA can significantly impact the size of its SAP team. Overall, more than half of the respondents do not expect any changes to their SAP teams in 2025, with just over a third anticipating an increase in their SAP teams and only 10% expecting a decrease in SAP-related staffing.

Among the respondents who are currently evaluating or piloting SAP S/4HANA, the percentage planning to expand their SAP teams increases to 60% as they prepare for the transformation.

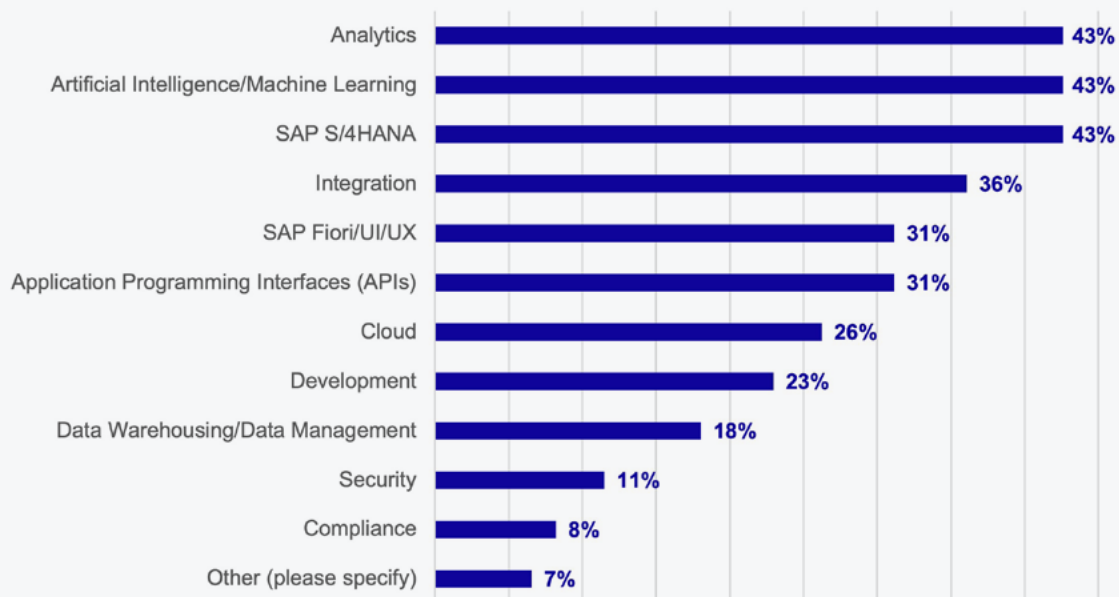
The SAP-related skills most in demand among respondents include analytics, AI and machine learning, SAP S/4HANA, and integration **(Figure 3)**. Nearly 90% of leaders currently implementing SAP S/4HANA, and over 50% of those in the evaluation or piloting stages, are in search of SAP S/4HANA skill sets. Just 16% of those who already have SAP S/4HANA in

production are looking for more SAP S/4HANA talent; instead, they are most often seeking AI and machine learning skills.

How do companies find the talent needed to achieve their technology goals? According to a financial executive at a manufacturing organization, as they aim to provide greater data visibility and enhance process efficiency, they require a “clear strategy and vision that can acquire the latent to continue to develop best-in-class processes working in concert with fully-leveraged technology.”

FIGURE 3

What are the most important SAP-related skill sets that you need to develop or add to your SAP team in 2025?



The Journey to AI Deployment

Leaders are prioritizing AI and seeking to enhance their technology teams with AI skill sets, but locating those skill sets has become the predominant challenge related to AI and machine learning. The swift increase in enterprise interest in AI after the launch of ChatGPT has left companies racing to find talent while universities and training programs strive to meet the growing demand.

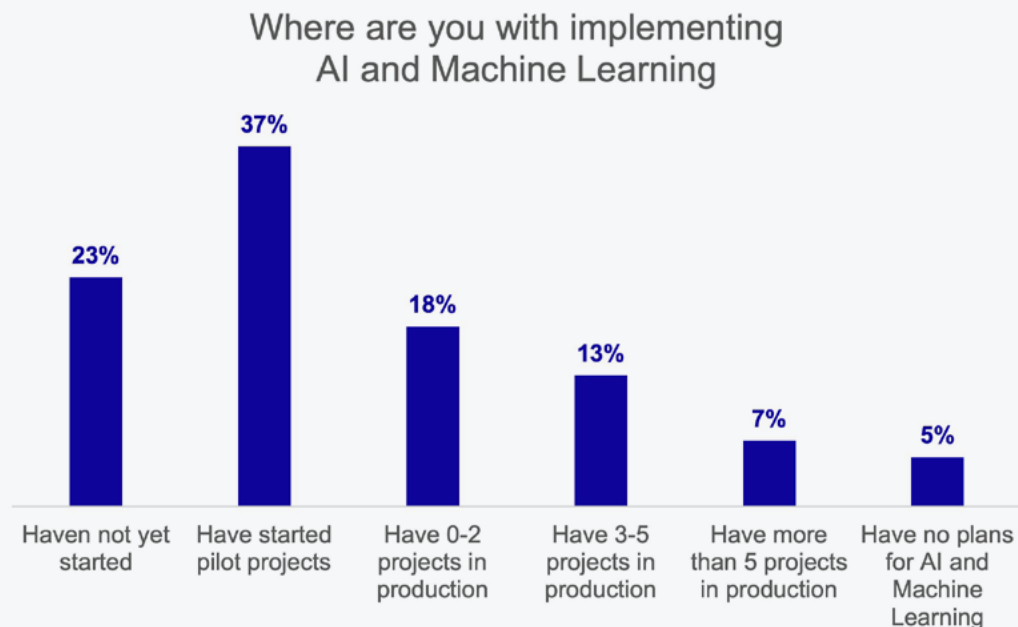
Over a quarter of technology leaders in our survey indicate that their data is too messy for AI, and another quarter express concerns about security and governance. Data governance and security are critical in ensuring quality AI outputs, so it is encouraging that technology

leaders recognize these challenges as issues that must be addressed before deploying AI and machine learning technologies.

It's important to note that there was no dominant single challenge that a majority of technology leaders surveyed selected. Organizations face myriad challenges when it comes to responsibly and successfully deploying AI, including identifying business cases, lacking AI knowledge, and finding the right AI partners.

Despite these challenges, only 5% of respondents indicated they have no plans for AI and machine learning (**See Figure 4**). Approximately a quarter have not begun implementing AI yet, while 20% have at least three AI projects currently in production. It is most common for organizations in our study to be in the piloting phase for AI.

FIGURE 4



What drives these leaders to implement AI despite the existing roadblocks? More than two-thirds cite improving business processes as a motivation. Over half aim to enhance data and analytics. Given that business process improvement are a key reason for AI adoption, it's likely that leaders will first consider AI assistants such as SAP Joule and AI Agents that can enhance

employee capabilities in various everyday tasks.

"We are rapidly developing GenAI use cases and will continue to do so where it makes business more productive," said one senior IT director in the industrial sector.

AI is dominating conversations among executives and is creating an increased demand for data management and governance, as well

as considerations for security and compliance. Many SAPinsider organizations are in the midst of the SAP S/4HANA migration process, but the rise of AI has been so impactful that it is now at least equal to ERP transformation among the concerns and motivations for technology leaders as they develop their strategies and budgets.

“At a time of an unsettled business climate, how do we continue to keep the business running while enabling these initiatives? The business is hyper focused on customers and results leaving little time for IT engagement,” said one CIO in the building industry.

Our survey of technology leaders in the SAP ecosystem also revealed the following trends:

- The top three challenges for technology leaders in 2025 include managing different priorities (60%), keeping up with technology (45%), and aligning with business objectives and priorities (43%). Increased pressure from the top down to adopt AI has added a wrinkle and is one more thing to manage. “At a time of an unsettled business climate, how do we continue to keep the business running while enabling these initiatives? The business is hyper-focused on customers and results, leaving little time for IT engagement,” said one CIO in the building industry.
- The SAP skillsets cited as most important least often were security (11%) and compliance (8%). This could be a red flag as companies move towards AI adoption—security and compliance will be crucial to ensure safe, ethical, and legal AI usage.
- 59% of those who said they plan to increase their SAP-related budget cite SAP S/4HANA as a top strategic investment in 2025.

Required Actions

Based on the survey responses, technology leaders should take the following actions related to their SAP systems:

- **Identify how AI agents and assistants can streamline your processes and make your employees more efficient in a responsible way.** AI adoption drives strategy and investment for technology leaders, and the more

advanced organizations already have multiple AI projects in production. Those not exploring how the latest AI tools can augment their workforce may fall behind. However, don't just blindly adopt AI—ensure you have the proper guardrails in place through governance and security measures. Beyond developing your own apps, explore the AI capabilities embedded in your SAP and non-SAP applications.

- **Prepare your budget for SAP S/4HANA migration.** Companies evaluating, piloting, or implementing SAP S/4HANA are hiring more SAP-related staff and increasing budgets. The potential benefits of migration include enabling cleaner, more actionable data, the opportunity to streamline overly customized and unscalable processes, and avoiding costly maintenance when standard mainstream maintenance ends for SAP S/4HANA in 2027. However, migration requires investment, which should be considered regarding staffing, technology costs, and support from external solution and service providers. Remember that budget increases don't necessarily need to be permanent. One respondent who decreased their SAP budget mentioned that it was because they had completed an SAP S/4HANA migration project the year before.
- **Build a technology stack that attracts top data and AI talent.** For years, companies have struggled to hire Data Scientists, and now this recruiting challenge extends to AI experts as well. Data and AI talent is often drawn to companies that have implemented platforms and tools that foster innovation. This can include enterprise platforms, developer tools, updated data management and warehousing solutions that integrate multiple data sources, and advanced analytics capabilities. The right talent can help your company innovate in the data and AI space and achieve the goals of developing AI strategies and creating more efficient processes. If you don't have the right technology in place, it is crucial to create and communicate a strategy and technology roadmap that demonstrates your plan to get there.

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