DETAILED FINDINGS

From The Benchmark Report:

Global E-Invoicing Management in SAP S/4HANA Migrations

By Susan Galberaith

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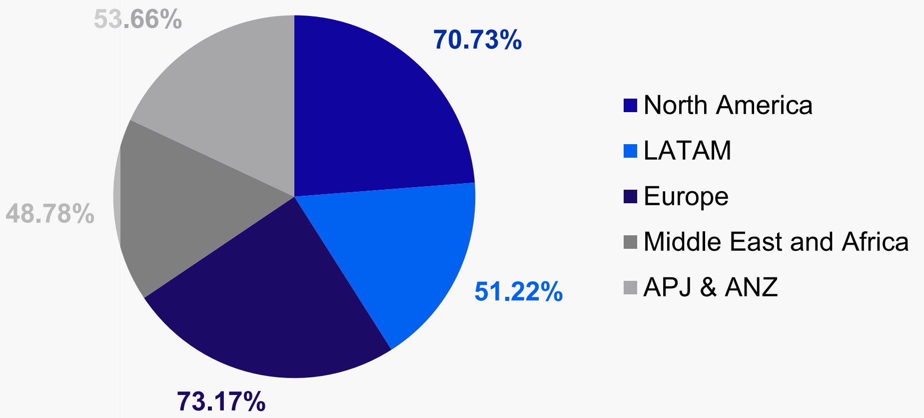
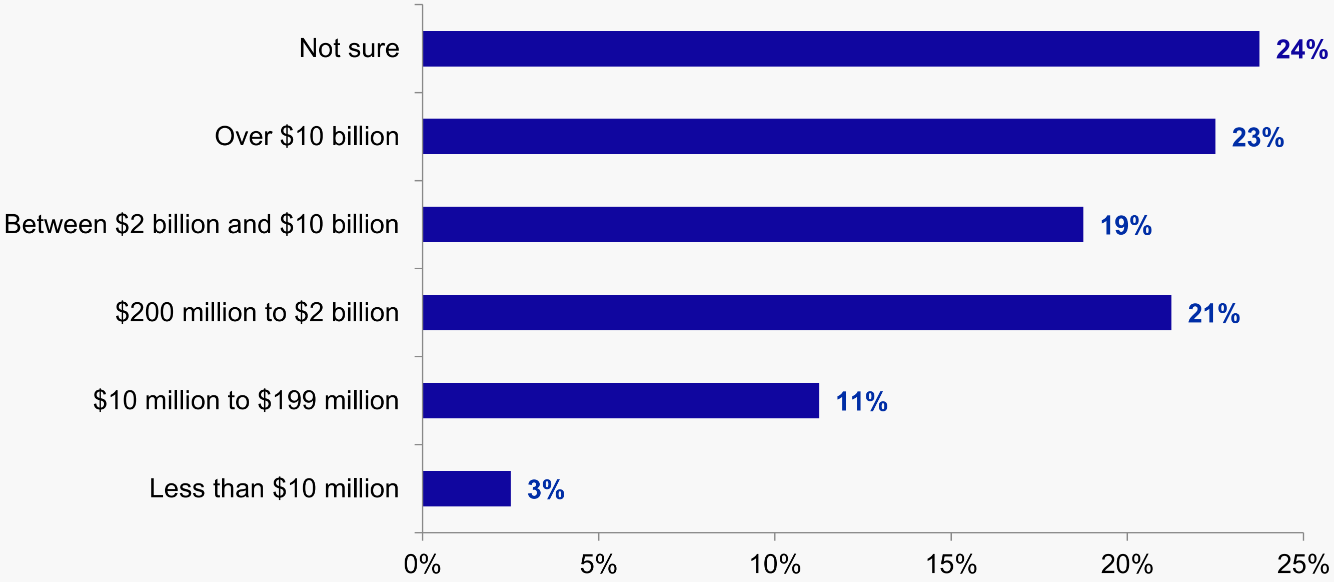
This report explores how leading enterprises are addressing the challenge of global E-Invoice management in SAP S/4HANA migrations. This year's respondents represent a balanced global operating environment with slightly greater representation from Europe and North America. Most enterprise respondents had annual revenues ranging from $200 MM USD to over $10B.

Regions of Operation



Annual Revenue



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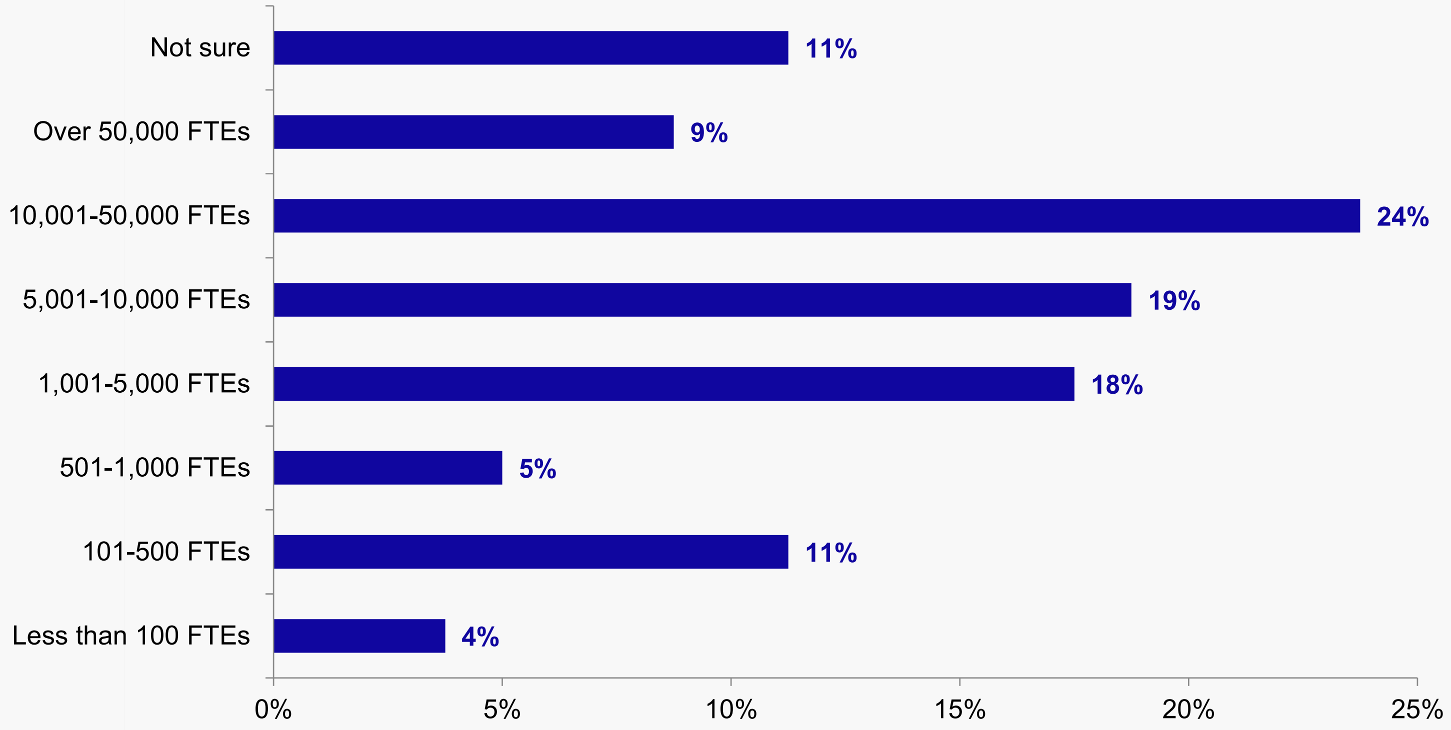
Respondents in this year's survey work in enterprises with 1,000 to 50,000 FTEs, representing both enterprise and midsize organizations.

Roughly how many full-time employees (FTE) currently work for your organization? Please select one.



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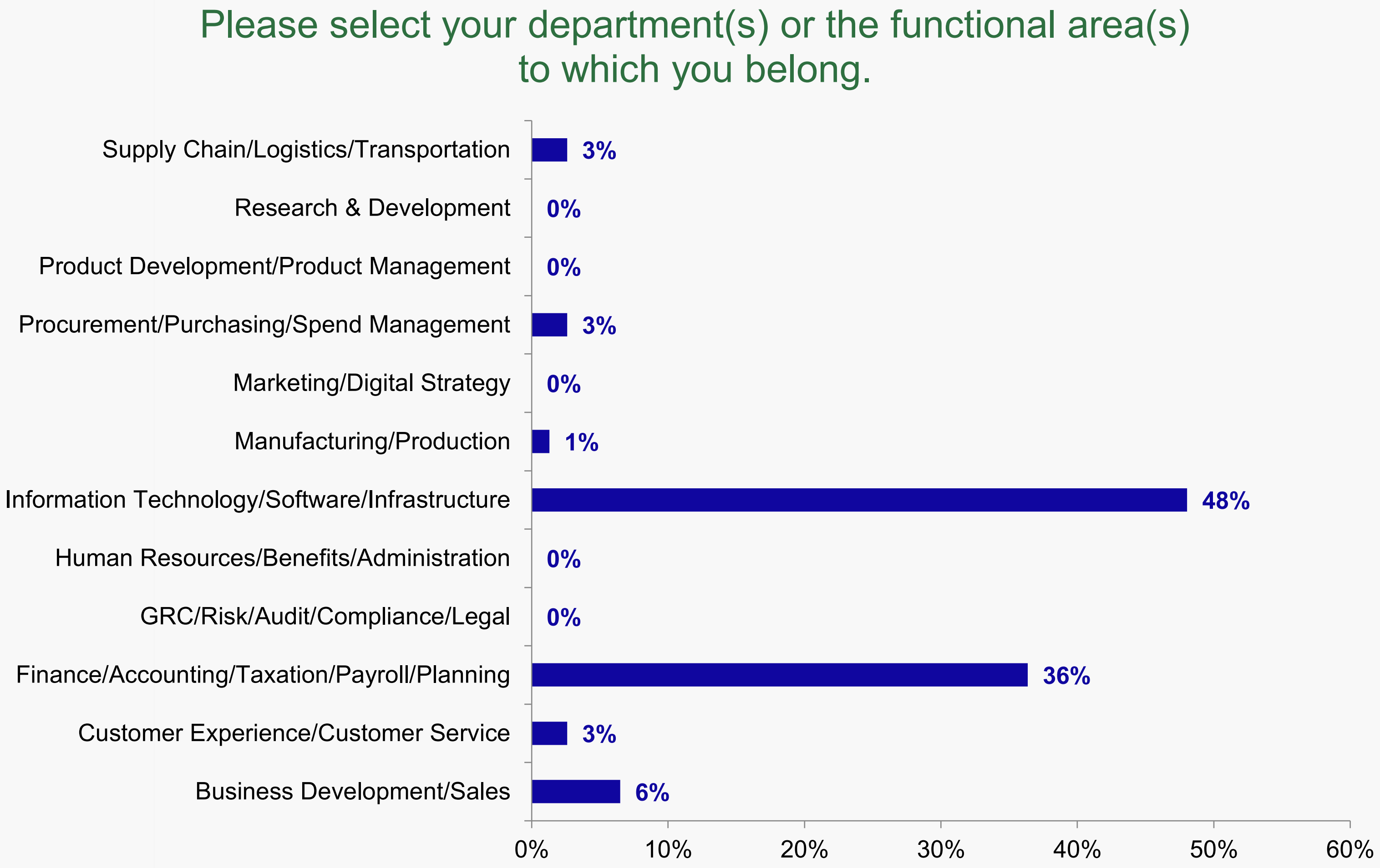
Participants were asked about their organizational roles. Respondents in this year's survey predominantly worked in the IT and Finance functions of the business.



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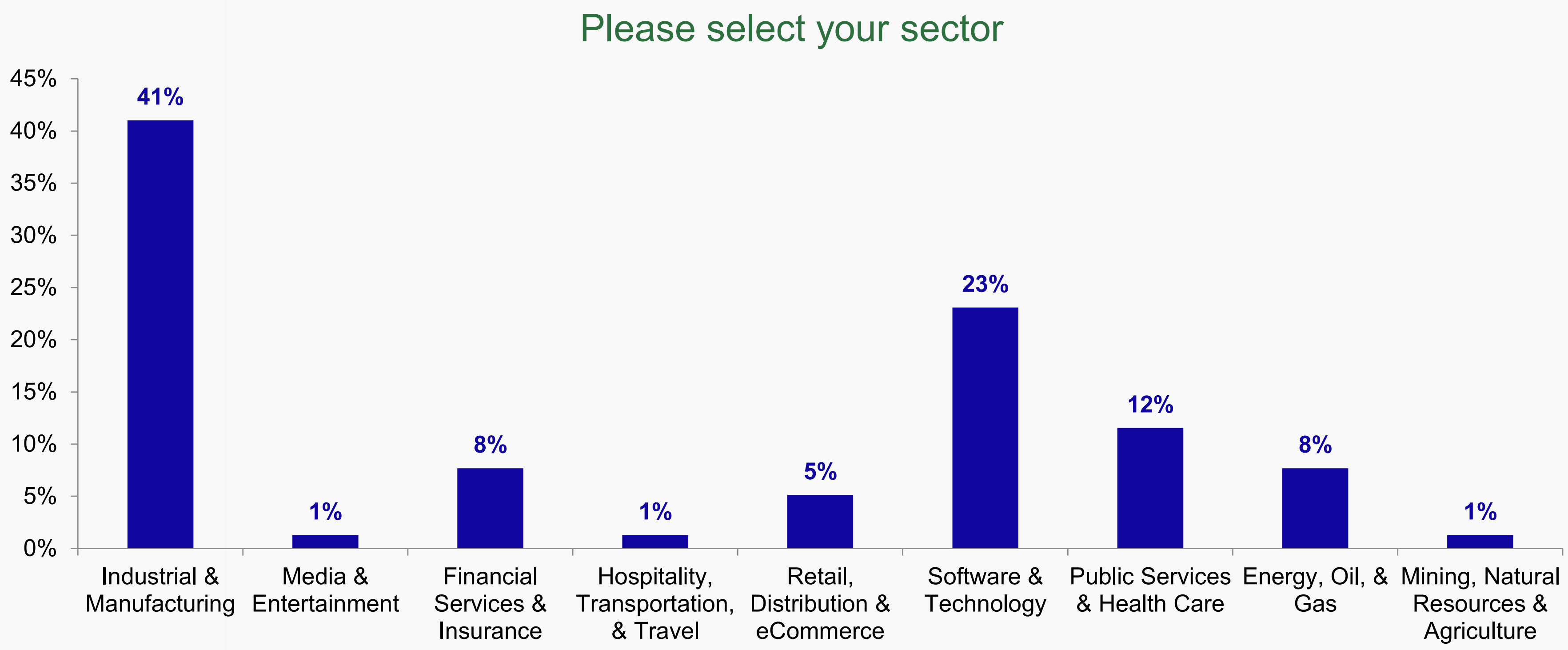
The top three market sectors for this year's survey participants are Manufacturing, Software/Technology, and Public Services & Health Care.



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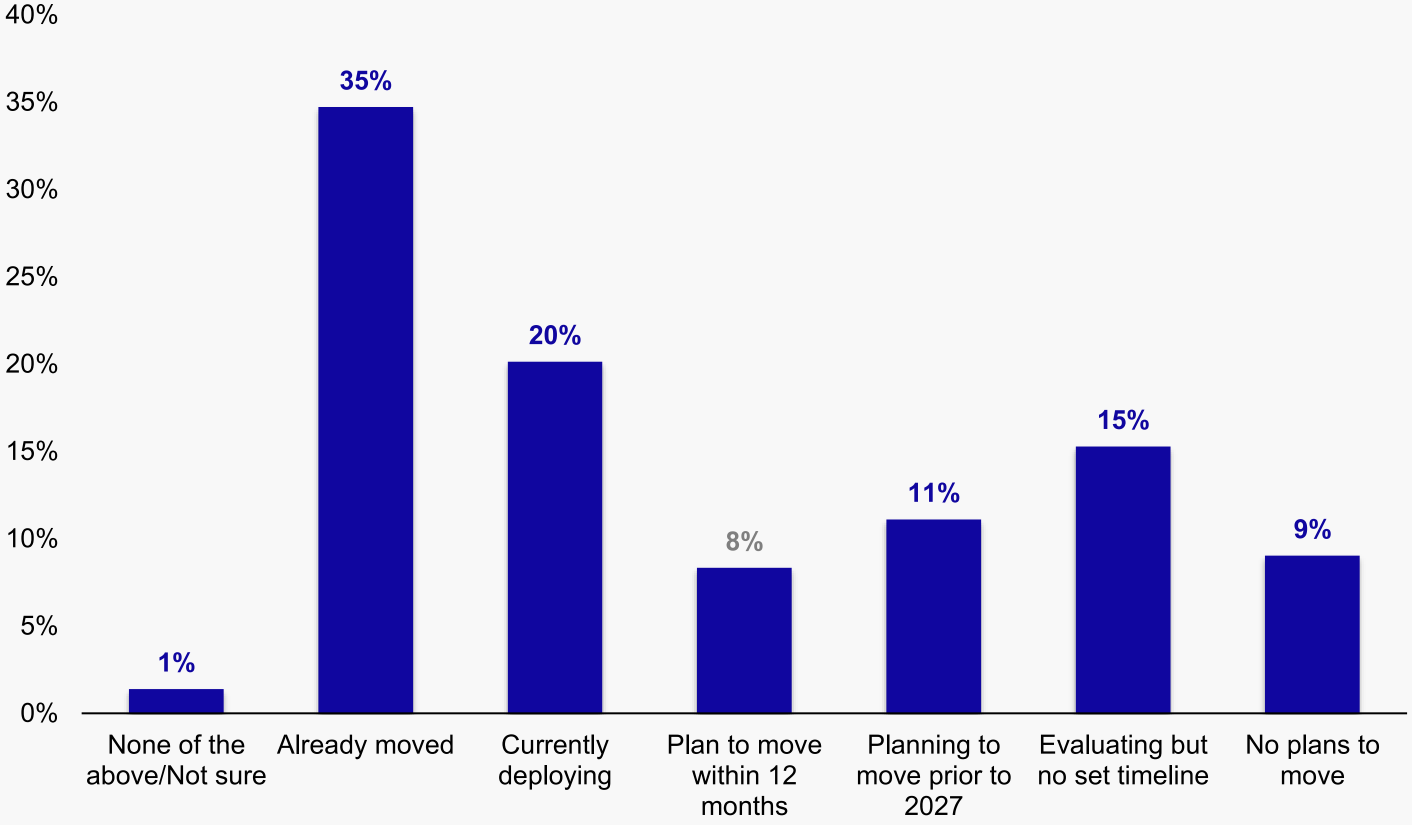
The adoption pattern by respondents reflects mounting pressure to meet SAP's 2027 maintenance deadline – with over half either having already migrated or in flight. 63% of respondents have moved or are in the process of moving to SAP S/4HANA. Over a third of survey respondents (35%) have completed their migration to SAP S/4HANA. 20% are currently in deployment, another 19% are moving within two years. This trend aligns with findings in this year's Deployment Approaches to SAP S/4HANA Report by Robert Holland.

What describes your organization's current SAP S/4HANA adoption status?



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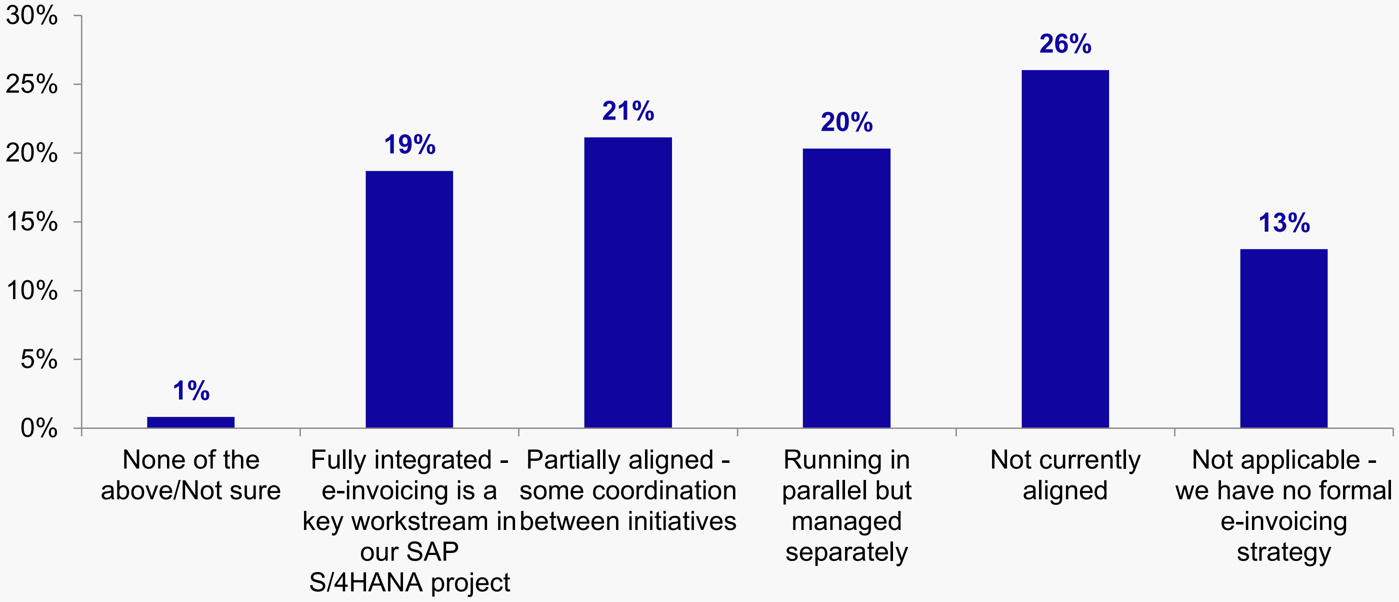
E-Invoicing projects are fragmented from SAP S/4HANA migrations. Only 19% of respondents indicated having fully integrated E-Invoicing as a core workstream and 21% as a partially integrated workstream. The greater majority of respondents 46% are either running E-Invoicing projects in parallel, but separately (20%) or have no alignment at all (26%). The lack of “core” alignment could present challenges for organizations faced with adopting existing E-Invoicing mandates like Brazil’s NFS, Italy’s SDI, or facing new regulations like France (phasing in September of 2026) and Germany (mandatory as of January 2027). Running E-Invoicing initiatives separate from SAP S/4HANA migrations represents missed opportunities to ensure integration and could lead to issues post-migration.

How is your organization's E-Invoicing strategy aligned with your SAP S/4HANA roadmap?



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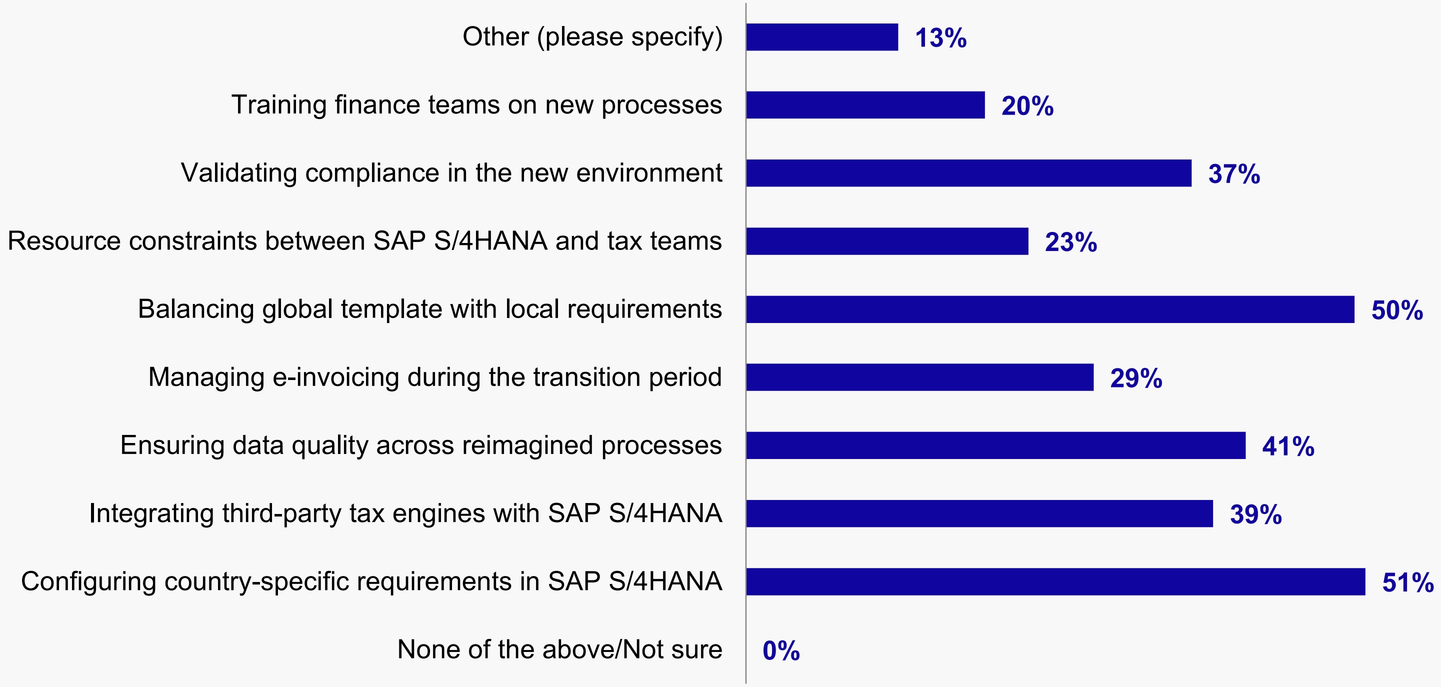
E-Invoicing is fraught with complexity as it is managed during SAP S/4HANA migrations in multinational environments. Respondents cited configuring country-specific requirements in SAP S/4HANA (51%), balancing global templates with local needs (50%), ensuring data quality (41%), and integrating third-party tax engines (39%) as their most significant challenges. Data concerns coupled with integration issues with third-party tax engines suggests a need to ensure tax teams are included in SAP S/4HANA migration projects early, both to support establishing clean, structured invoice data and to participate in compliance assessments.

What are the most significant challenges in managing E-Invoicing requirements within your SAP S/4HANA journey? Please select your top three responses.



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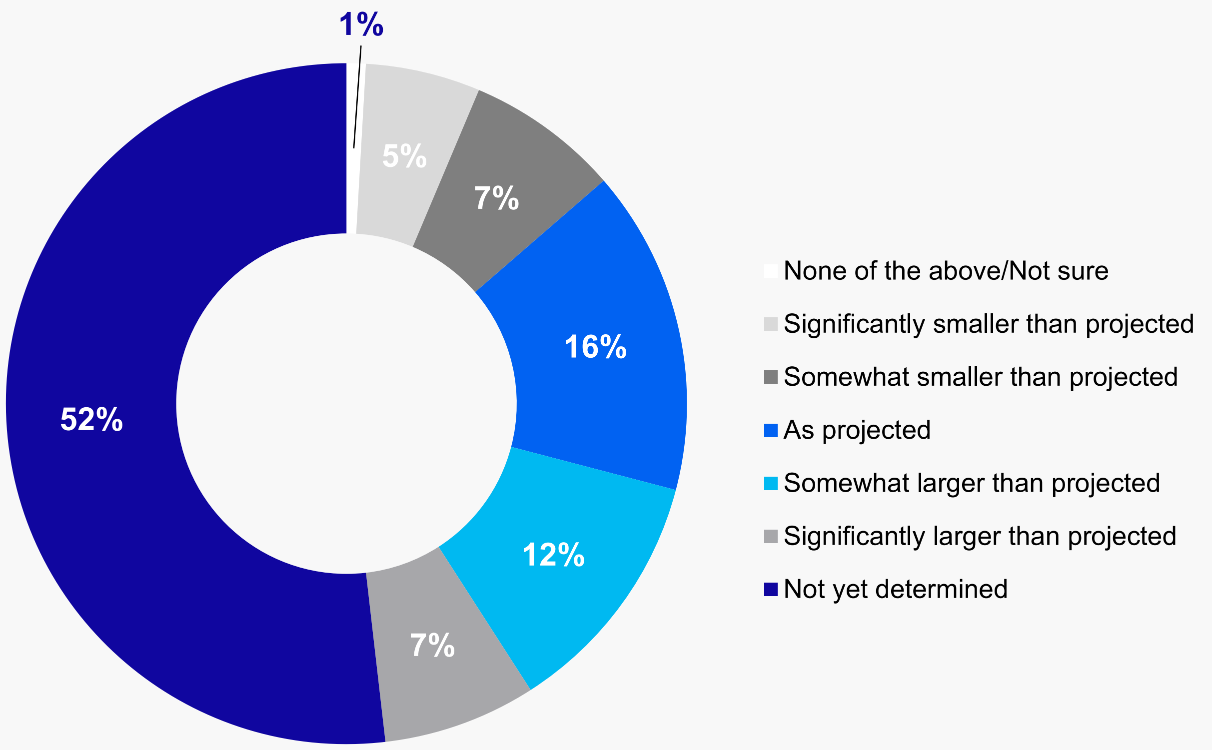
Over half of respondents (51%) to the survey have not yet determined their budget for E-Invoicing. This could indicate that E-Invoicing is a blind spot for SAP S/HANA migration planning or that there is room for improving cross-functional coordination. Respondents that "have migrated" or are in the "process of migrating" (Section 4) with budgets that are not yet determined run a higher risk of duplicating effort and costs associated with E-Invoicing projects run either independent or in parallel to SAP S/4HANA migrations.

How does your current budget for E-Invoicing compliance within your SAP S/4HANA project compare to your initial projection?



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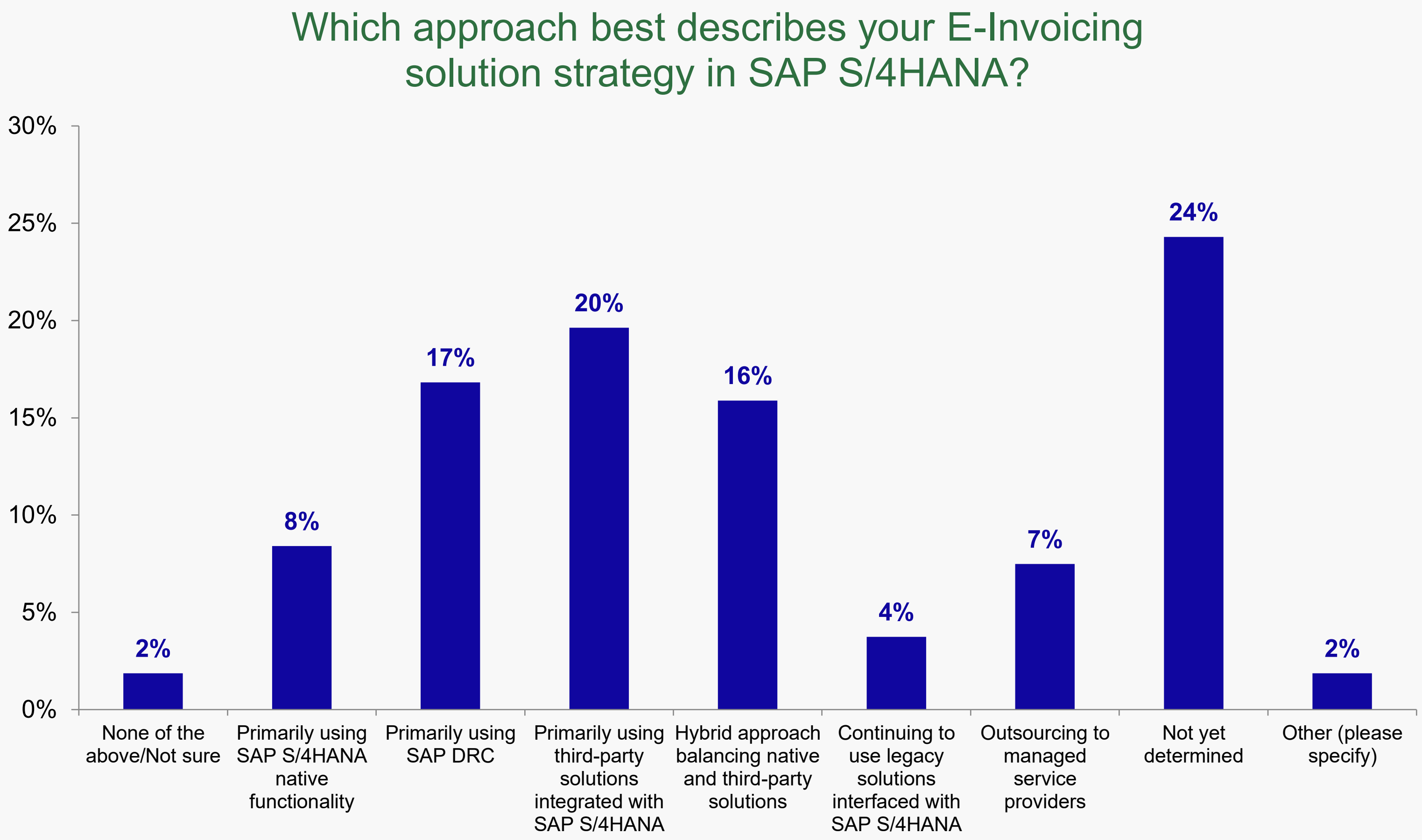
Respondents are using three key approaches to meet the growing E-Invoicing mandates: third party solutions (19%), hybrid (16%), and SAP Document Reporting Compliance (DRC) adoption (17%). Hybrid models can be a product of preference or inheritance. Undecided respondents who are evaluating their approach or delaying until later in their migration should carefully assess compliance obligations as quickly as they can to mitigate the challenges and risks associated with post-migration projects. Those with projects in flight should assess their operational and regulatory requirements selecting the approach with the best-fit for their business environment.



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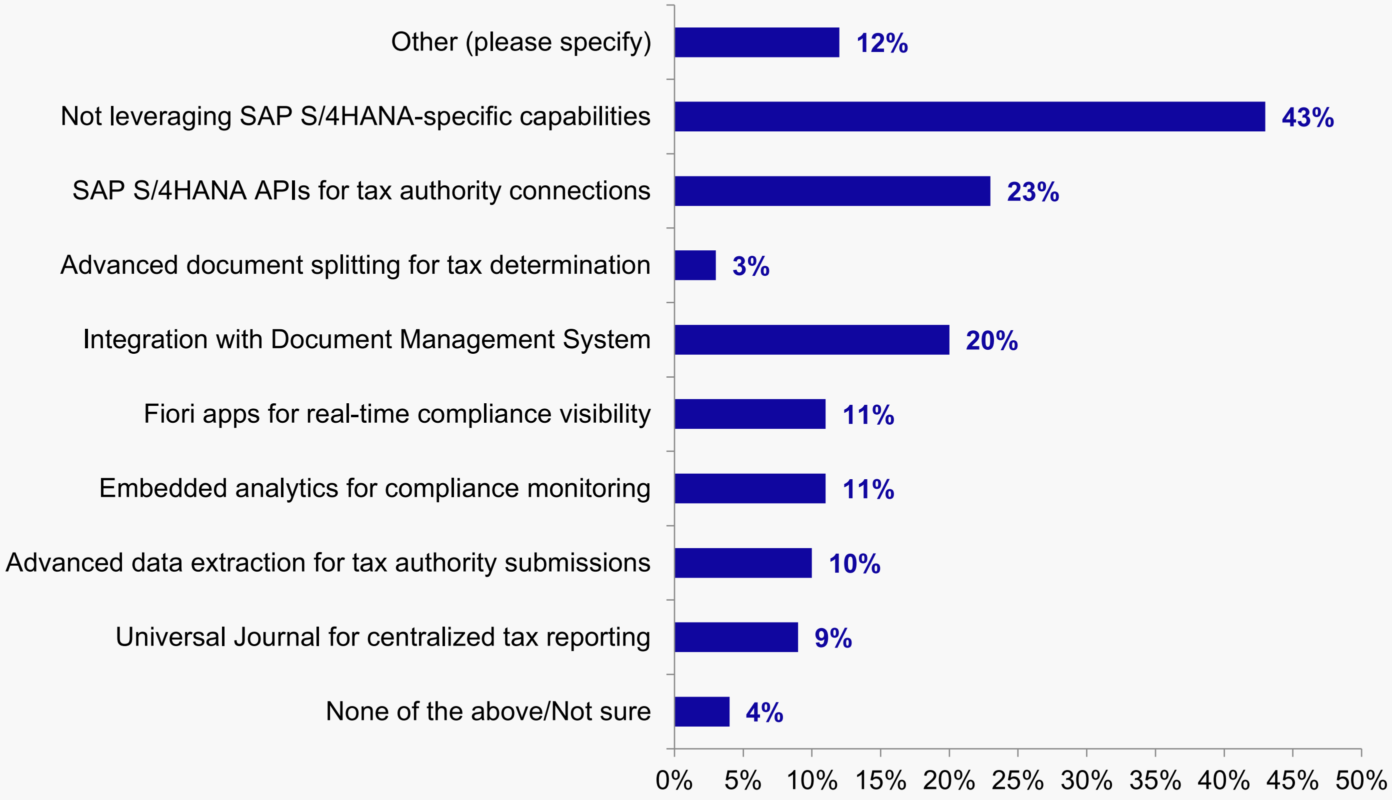
There are strong indicators that the complexity of E-Invoicing requirements merit use of third-party solutions as 43% of respondents indicate they are not leveraging SAP S/4HANA specific capabilities, even fewer are using Fiori apps (11%), embedded analytics (11%), advanced data extraction (10%), Universal Journal (9%), and advanced document splitting for tax determination (3%). There are also a smaller segment of respondents connecting directly to tax authorities (23%) and integrating with a document management system (20%). This could be an indication that there is a threshold associated with jurisdiction complexity that drives approach decisions.

How are you leveraging SAP S/4HANA's capabilities to support your E-Invoicing strategy? Please select all that apply.



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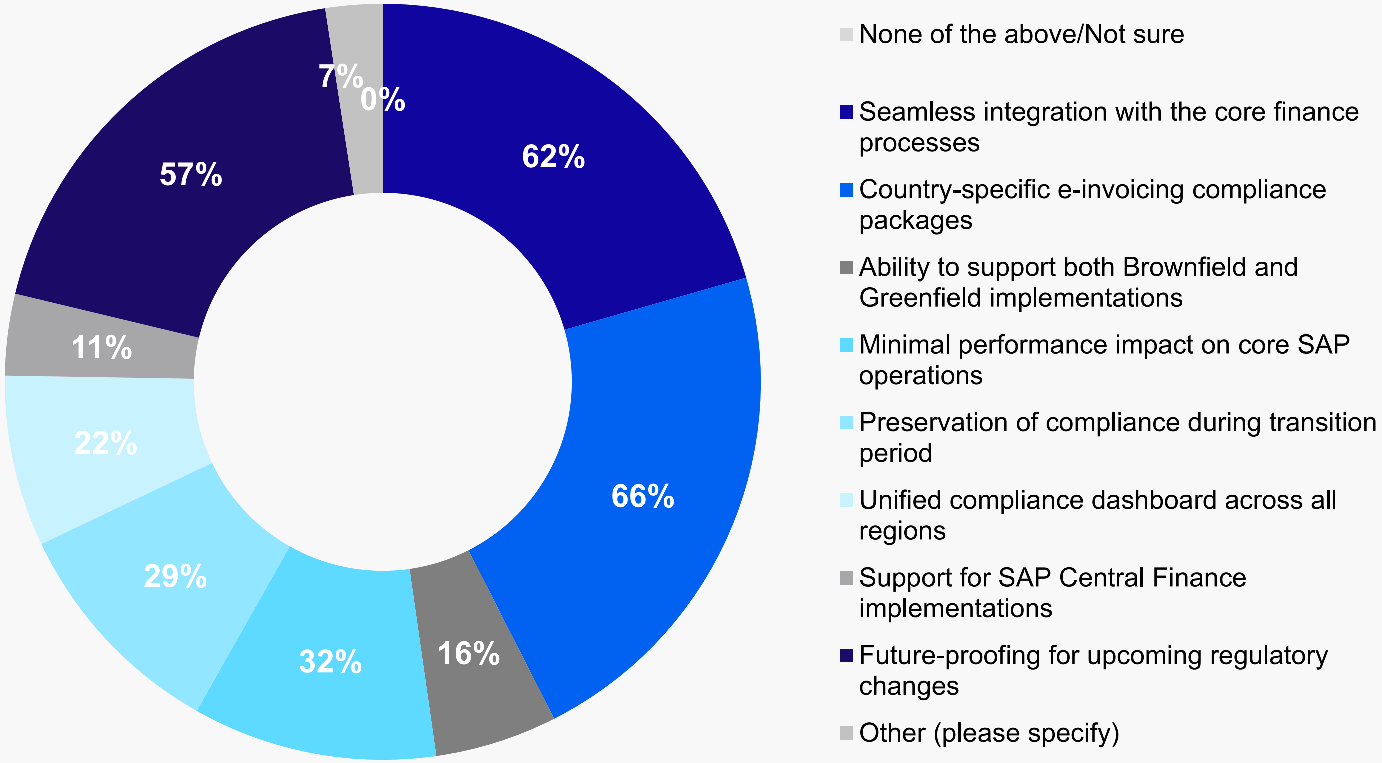
Respondents continue to articulate the growing complexity of global mandates indicating that country-specific compliance packages (66%), seamless integration with core finance processes (62%) and future-proofing regulatory changes (57%) are key requirements for E-Invoicing management. Respondents are concerned about the disruption associated with E-Invoicing capabilities (either when in place or through migration), indicating that there should be minimal performance impact (32%) and "compliance" during transition (29%). Unified dashboards (22%) are also important which at a minimum suggests that current reporting approaches for managing E-Invoicing are segregated. It is also evidence suggesting E-Invoicing practices are siloed.

What are your organization's key requirements for E-Invoicing management in SAP S/4HANA? Please select your top three responses.



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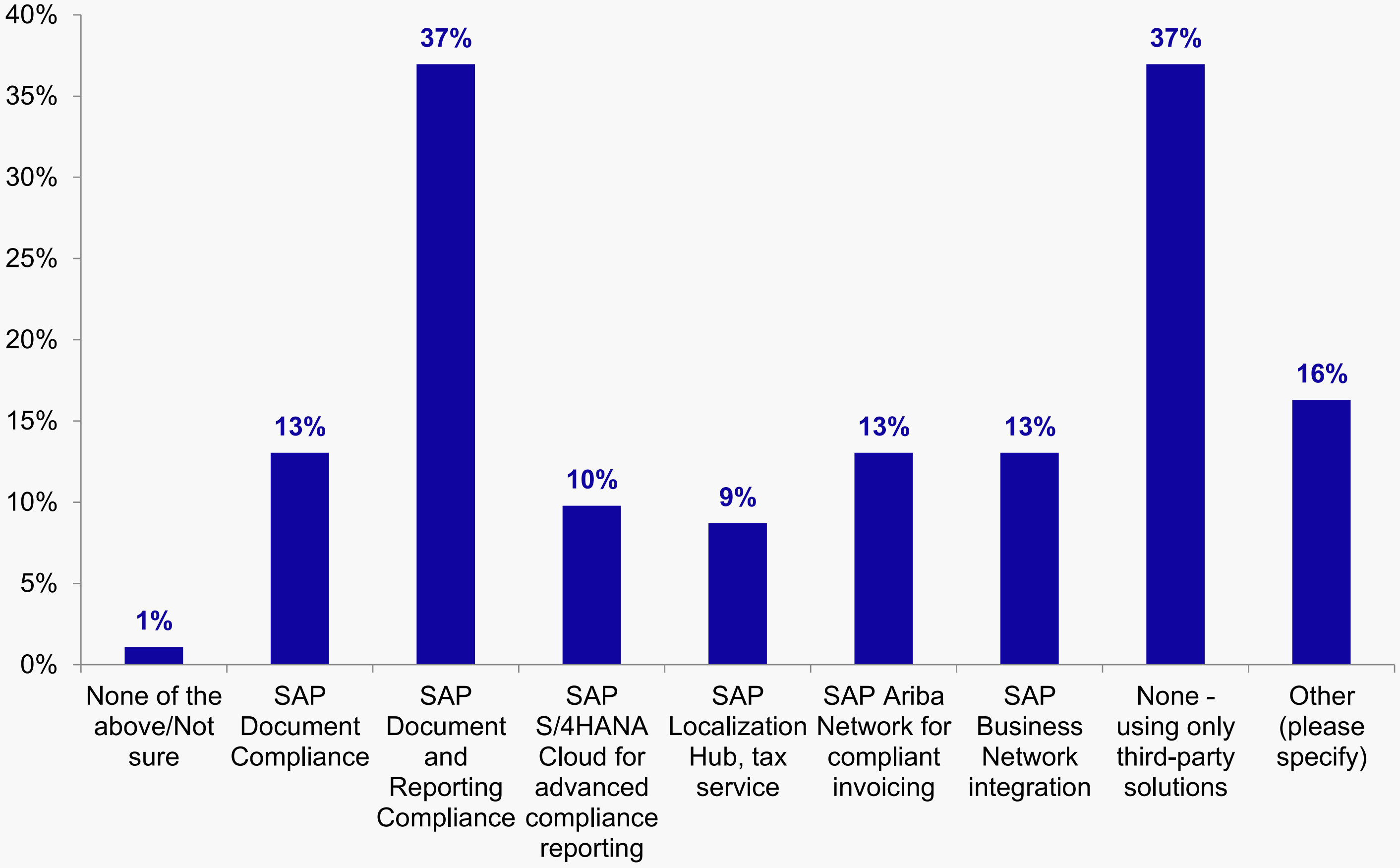
Respondents are using either SAP DRC (37%) or third-party solutions (37%) to address country-specific E-Invoicing requirements. This suggests that organizations are selecting approach based on a variety of factors which can include business environment and goals, technologies already in place, regional requirements, and vendor relationships.

Which SAP E-Invoicing technologies has your organization implemented or plan to implement with SAP S/4HANA? Please select all that apply.



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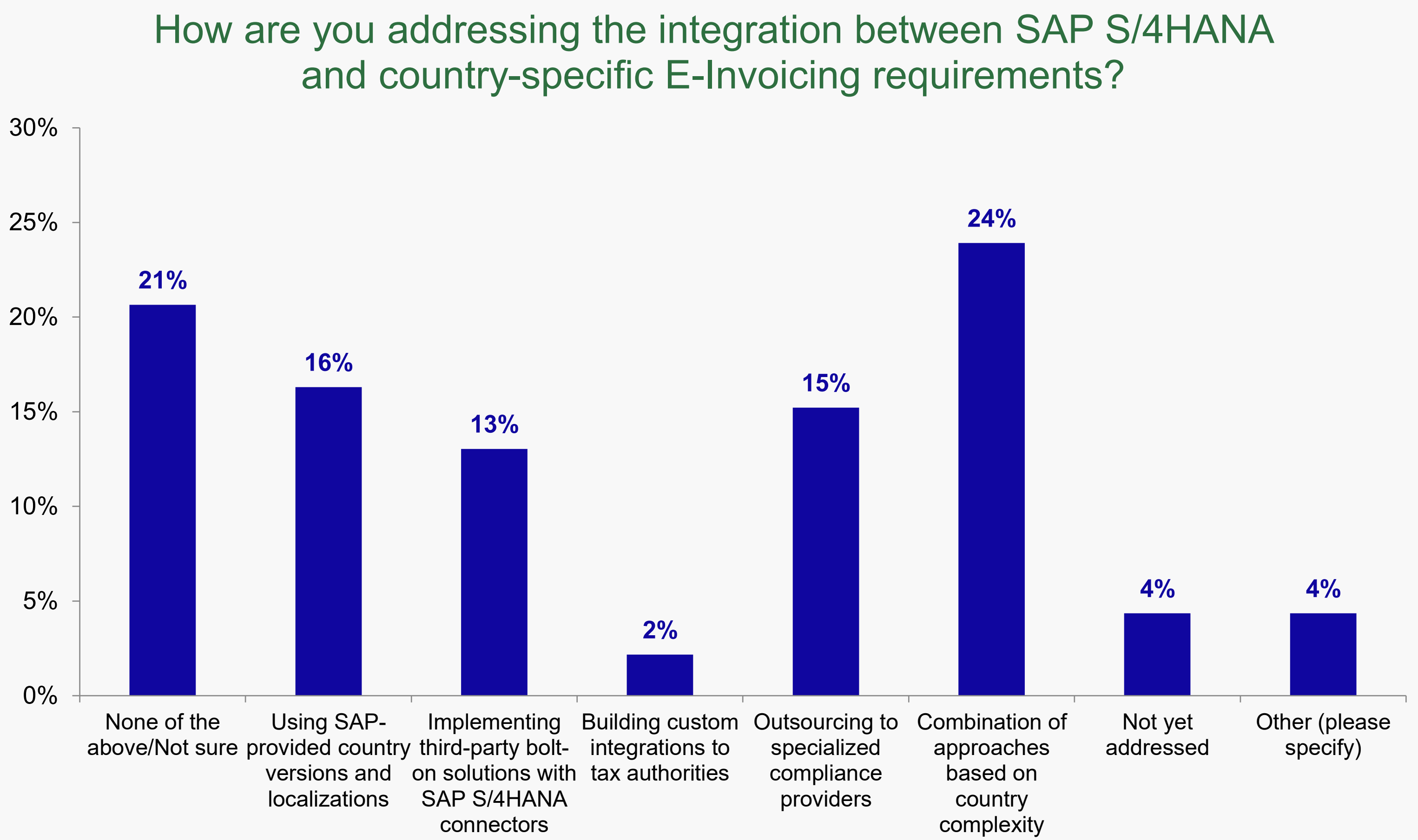
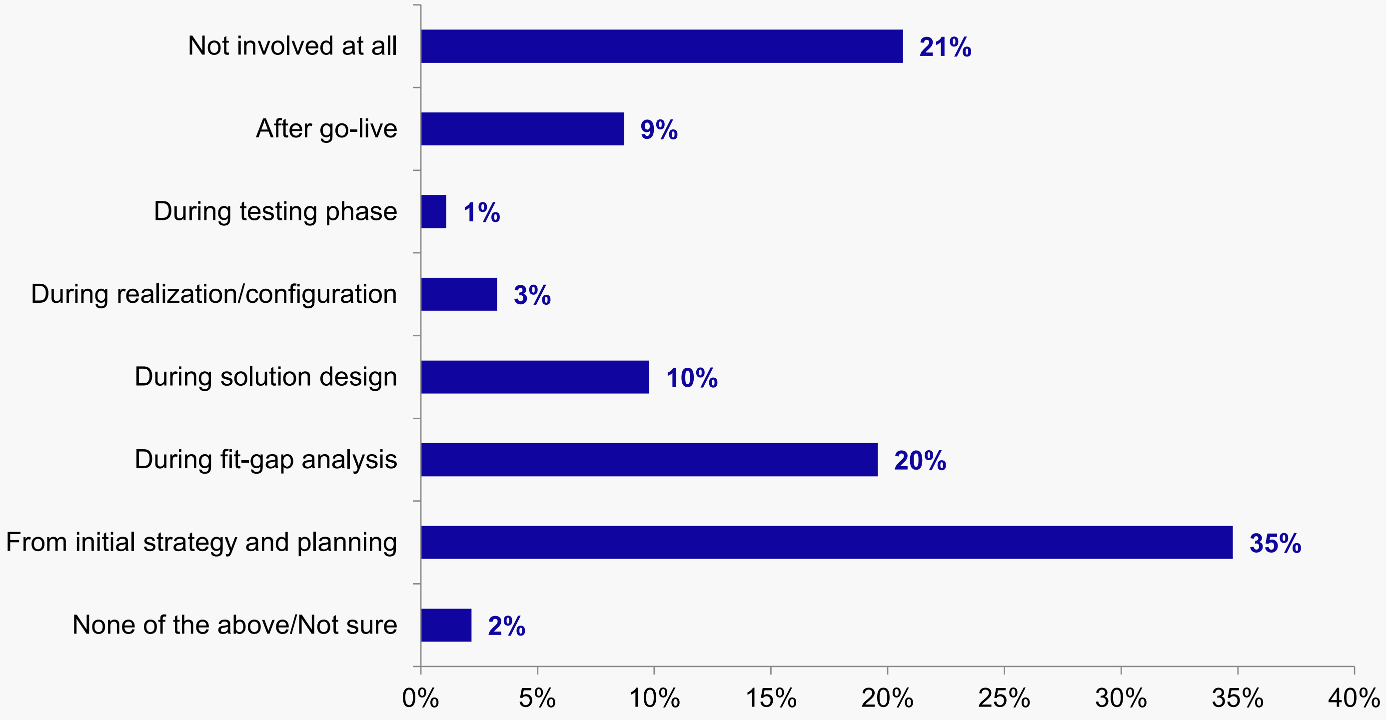
Complexity (24%) is the deciding factor in determining the combination of approaches to meet country-specific E-Invoicing requirements. There are still a sizable number of respondents who are unsure about their integration path. The low number of respondents outsourcing to specialized compliance providers (15%) and the low level of customer integrations to tax authorities (2%) suggests that respondents are seeking third-party vendors with standardized solutions, native document management capabilities within SAP to address E-Invoicing requirements.



13

55% of respondents are engaging tax teams during the early stages of SAP S/4HANA implementation, underlying the importance of E-Invoicing and other Tax related regulatory oversight in implementation and migration projects. Another 21% are not involving tax yet either because of the stage of their implementation or other business factors. For respondents that are complete with implementation and/or in the final stages, not involving tax teams (21%) could present compliance issues and doesn't maximize efficiencies that can be found across implementations.

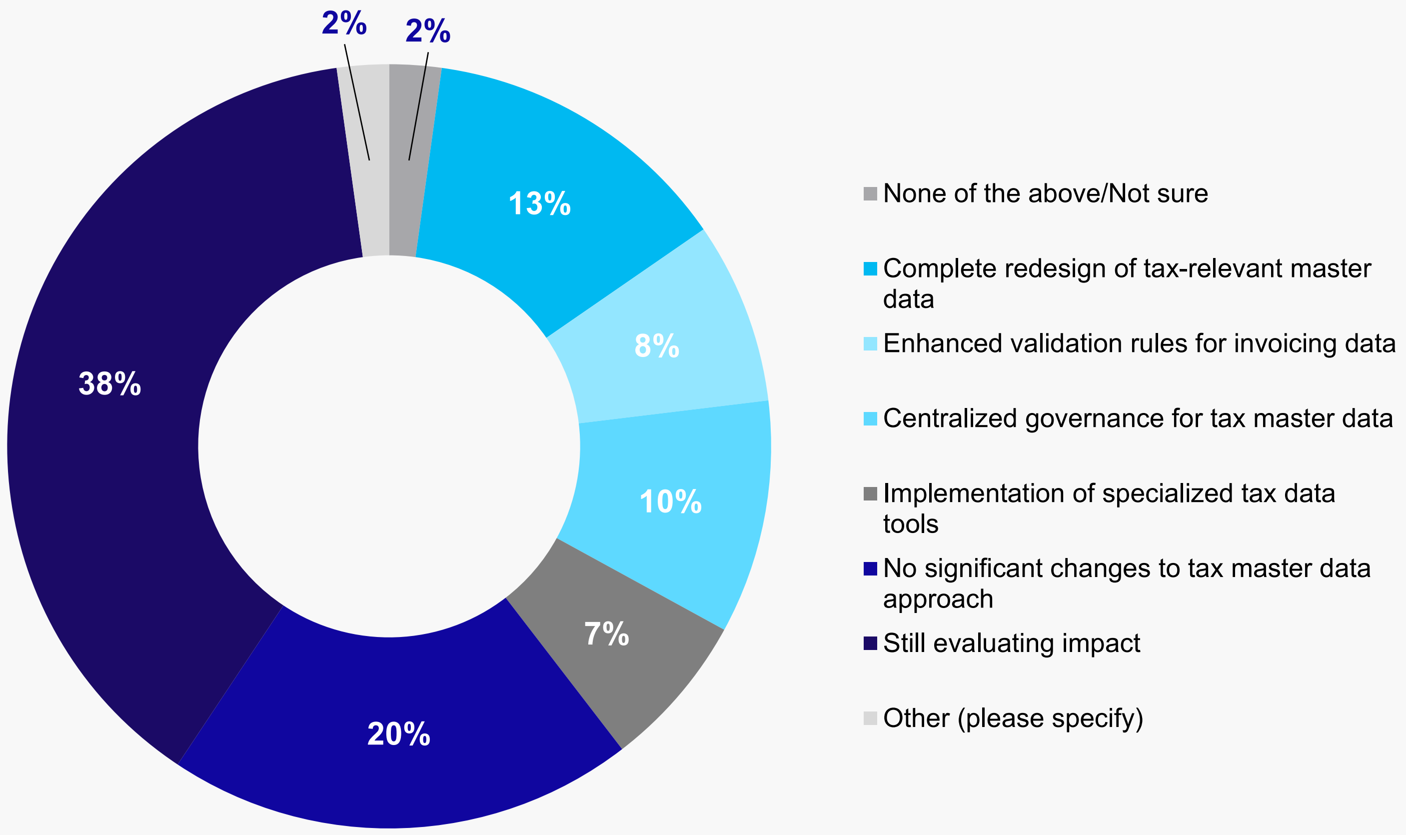
At what stage of your SAP S/4HANA implementation did/will your tax team get involved in E-Invoicing design?



14

Sizable numbers of respondents are still evaluating the impact of SAP S/4HANA transformation on their approach to master data management for tax and E-Invoicing (38%). Yet, other organizations are experiencing no significant changes to approach (20%) to the need for a complete redesign (13%). This suggest that implementations approaches, including master data management, is contextual factors like existing data management and governance practices.

How has your SAP S/4HANA transformation impacted your approach to master data management for tax and E-Invoicing?



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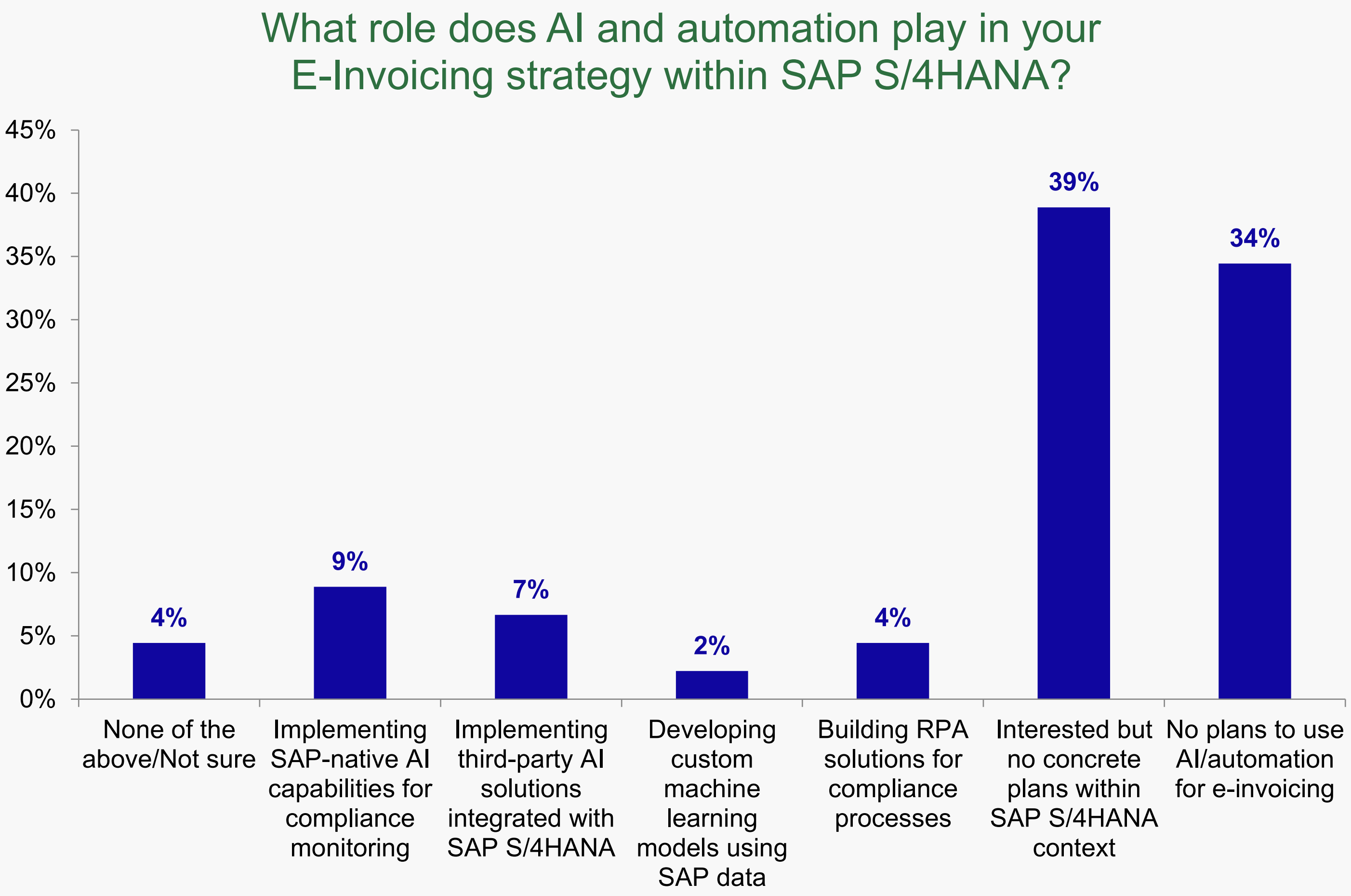
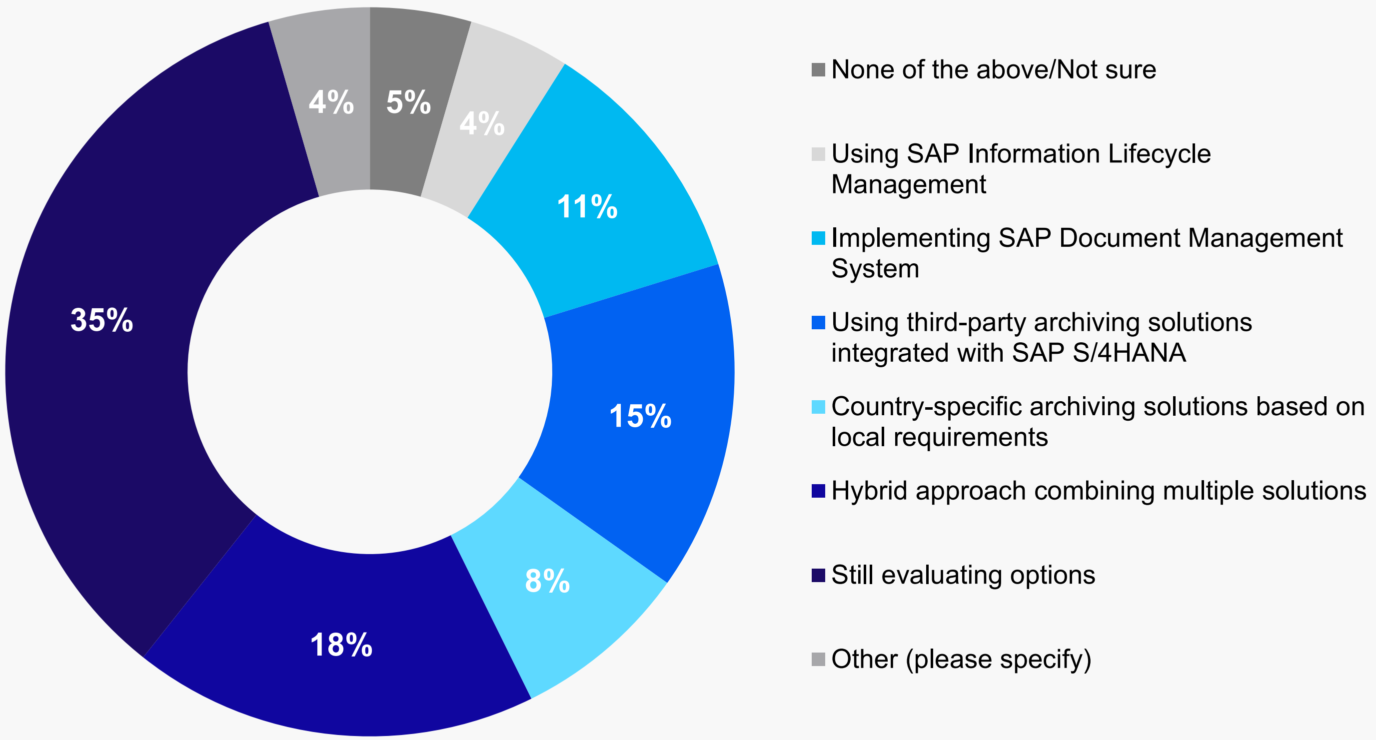
Respondents are either interested and have no concrete plans (39%) or have no plans (34%) to use AI in E-Invoicing, this suggest a lack of awareness about these capabilities and their application to E-Invoicing or could be reflective of respondents choosing to work with third-party vendors. Embedded analytics, predictive modeling, and anomaly detection have strong applications for E-Invoicing (e.g., detection of missing tax codes, invoice validation).



16

Respondents are undecided about their approach to E-Invoicing archiving, with the greatest number of respondents still evaluating their options (35%) and others implementing SAP Document Management system (11%), using third party archiving solutions (15%), or taking a hybrid approach (18%).

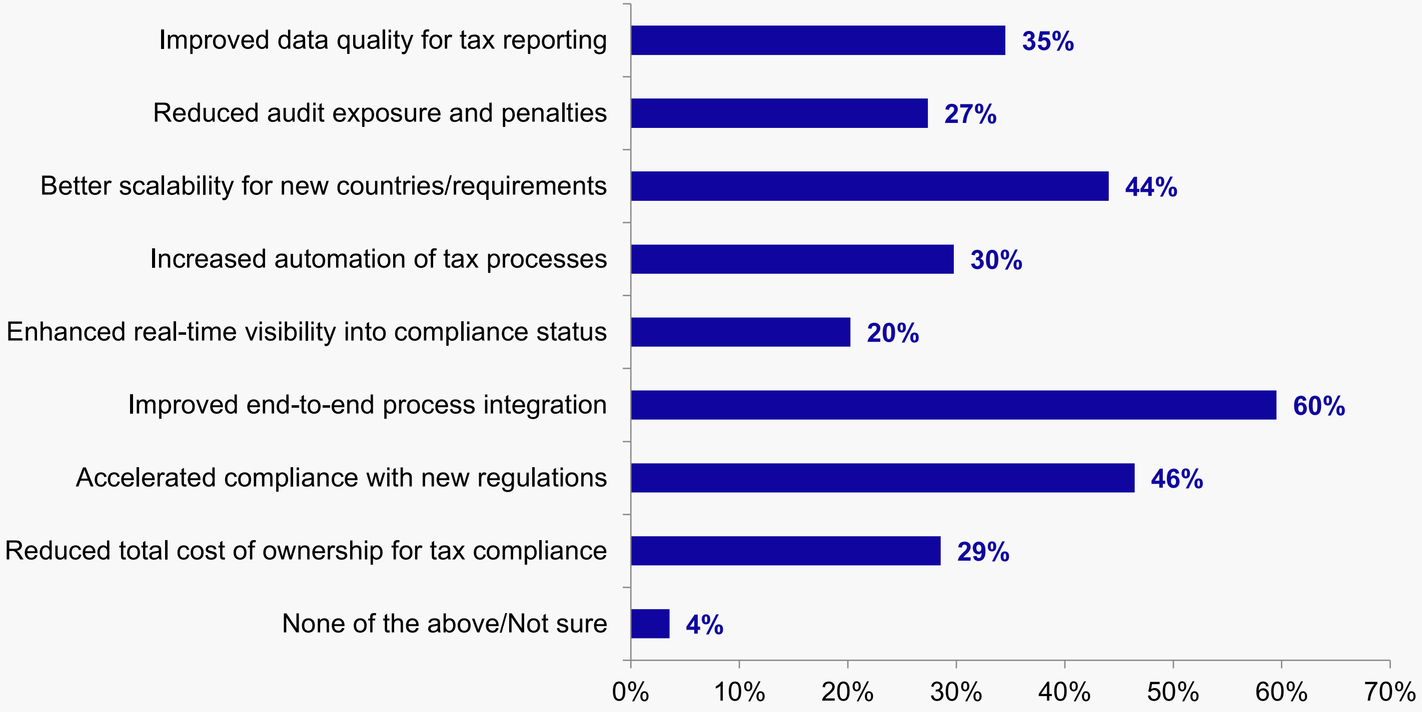
How are you addressing archiving requirements for E-Invoicing within your SAP S/4HANA environment?



17

Across the board respondents see value in aligning E-Invoicing with SAP S/4HANA implementations/migrations. 60% of respondents saw improved end-to-end process integration, 46% accelerated compliance with regulations, and 44% better scalability. This suggest for organizations in flight with SAP S/4HANA migrations or implementations including tax leaders in decisions and planning now is important. Additional impact can be seen in improved data quality for tax reporting (35%), reduced total cost of ownership for tax compliance (29%), and reduced audit exposure (27%).

What are the most valuable benefits you've realized or expect to realize from aligning E-Invoicing with your SAP S/4HANA implementation? Select your top three responses.



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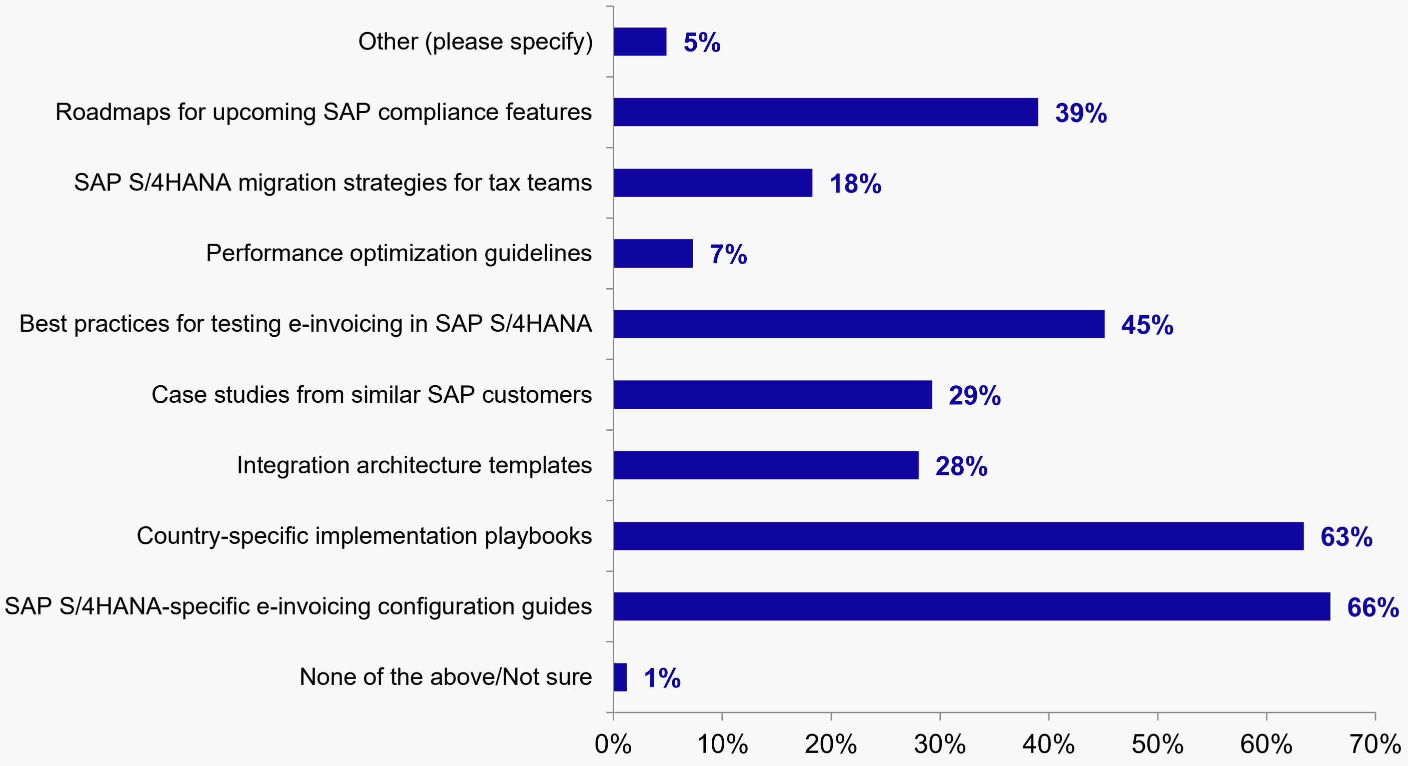
Implementation tools, guides and best practices stand out as most needed for E-Invoicing strategies that are a part of SAP S/4HANA migrations and implementations. Respondents are looking for E-Invoicing configuration guides (66%), implementation playbooks (63%), best practices for testing (45%), and roadmaps for compliance features (39%).

What resources would be most valuable to support your E-Invoicing strategy within SAP S/4HANA? Select your top three responses.



THANK YOU

Susan Galberaith
Vice President and Research Director
Susan.Galberaith@Wellesleyglobal.org

SAP insider.org

PO Box 982Hampstead, NH 03841