

DETAILED FINDINGS

From The Benchmark Report:

Technology Leader's Strategic Agenda for 2026

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RESEARCH PARTNER

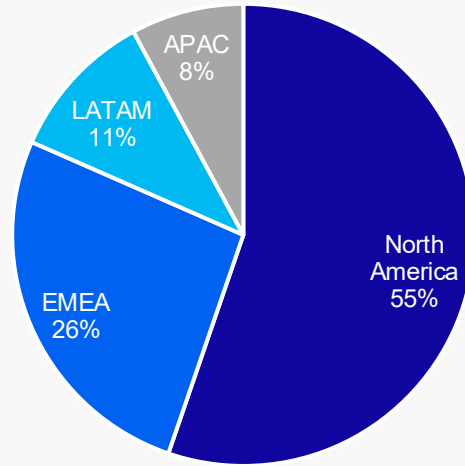


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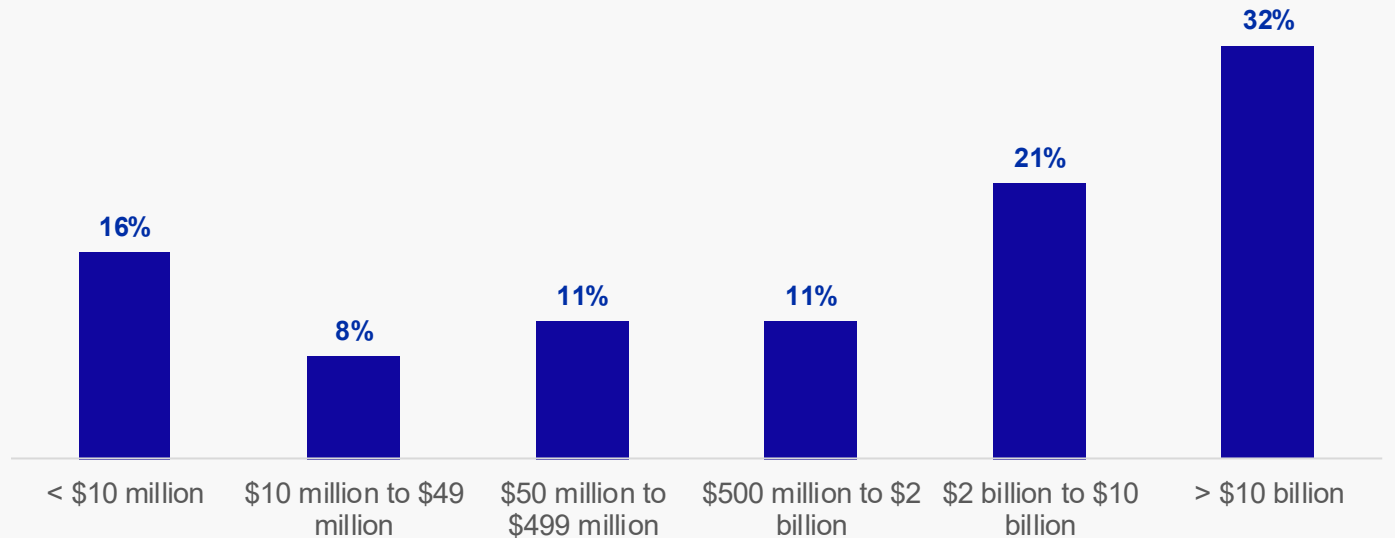


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Between December 2025 and March 2026, SAPinsider surveyed technology leaders from the SAPinsider community to gain insight into their plans for 2026. The survey explored the business priorities that they need to support, where they plan to make technology investments, planned SAP initiatives and projects, challenges faced, and point in ERP journey.



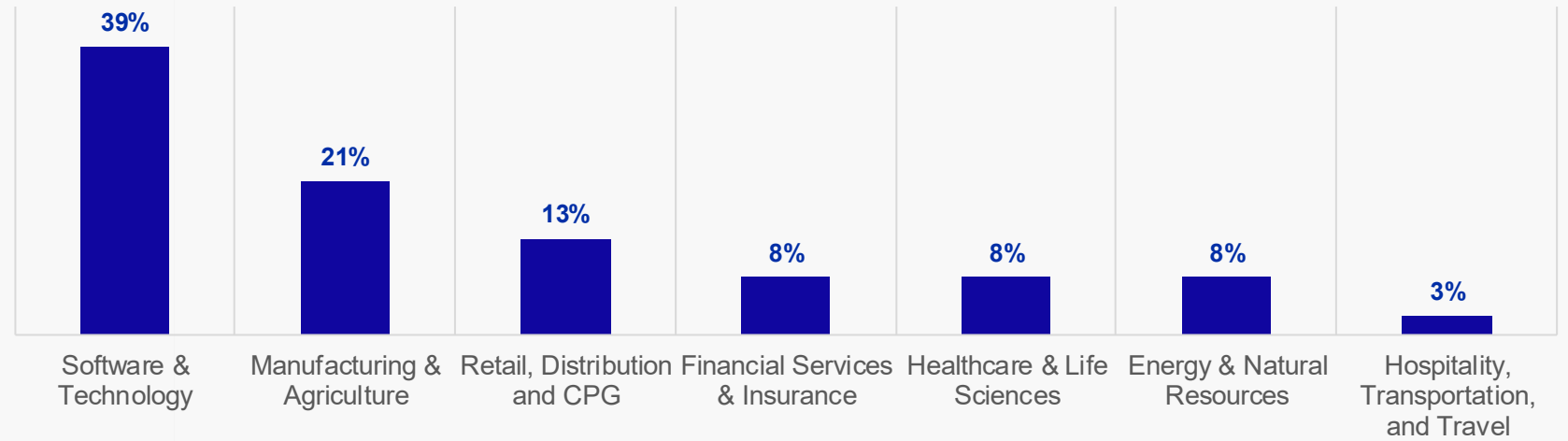
Revenue



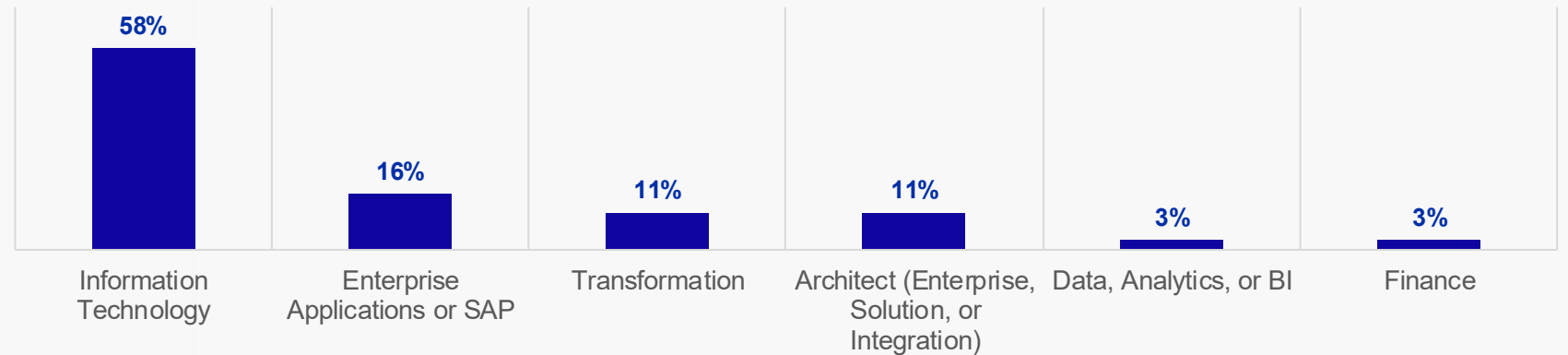
2

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

Industry



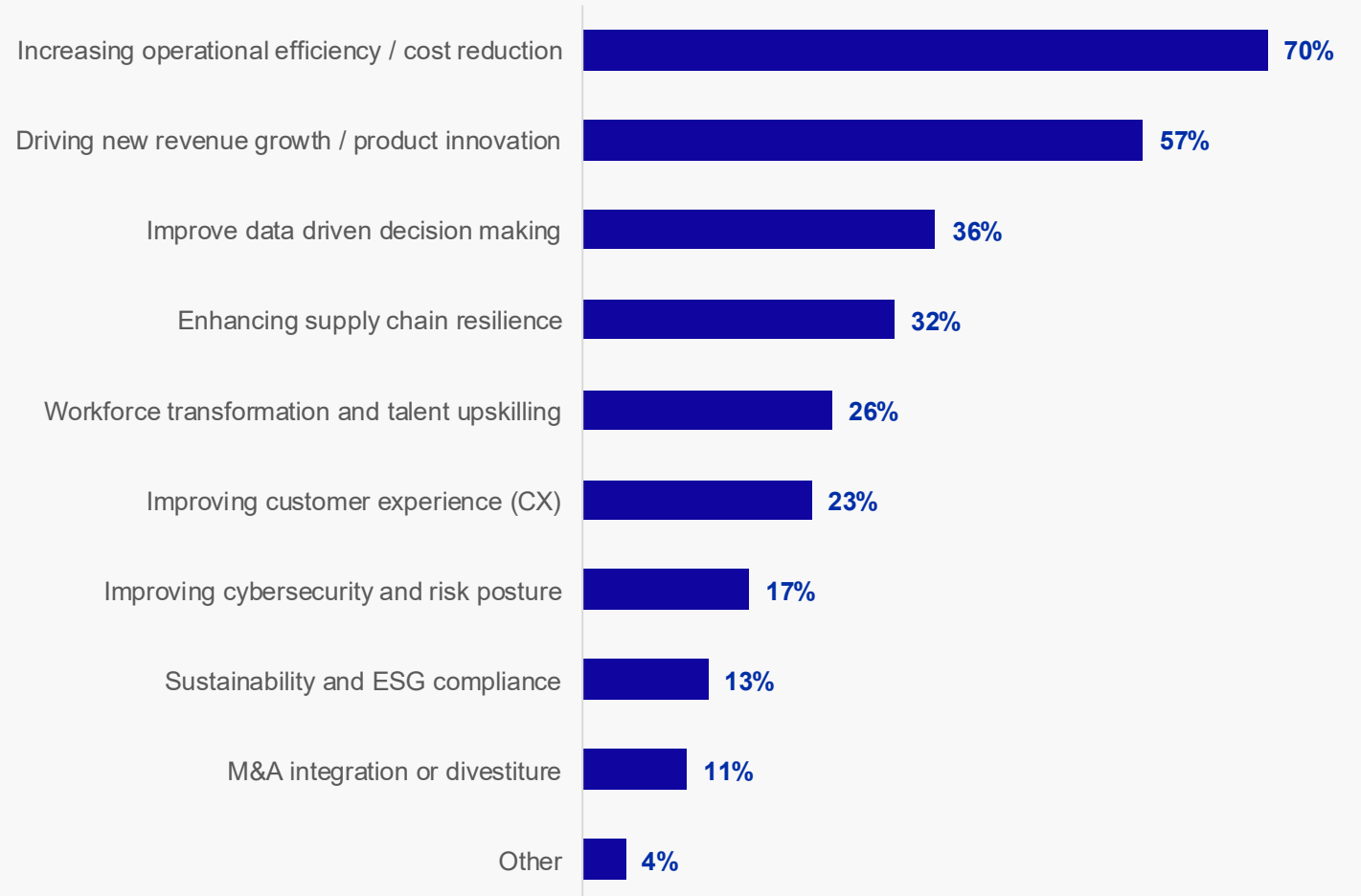
Functional Area



3

Increasing operational efficiency while driving new growth and efficiently managing costs remain the biggest business priorities for technology leaders in 2026 as they have been for many years. To achieve these goals, it is vital that IT and business teams remain closely connected so that they can work together to achieve them. This is especially important for technology leaders who should ensure that they are looking at technologies that will help address business challenges rather than potential challenges to address once a technology has been implemented.

Top Business Priorities for 2026

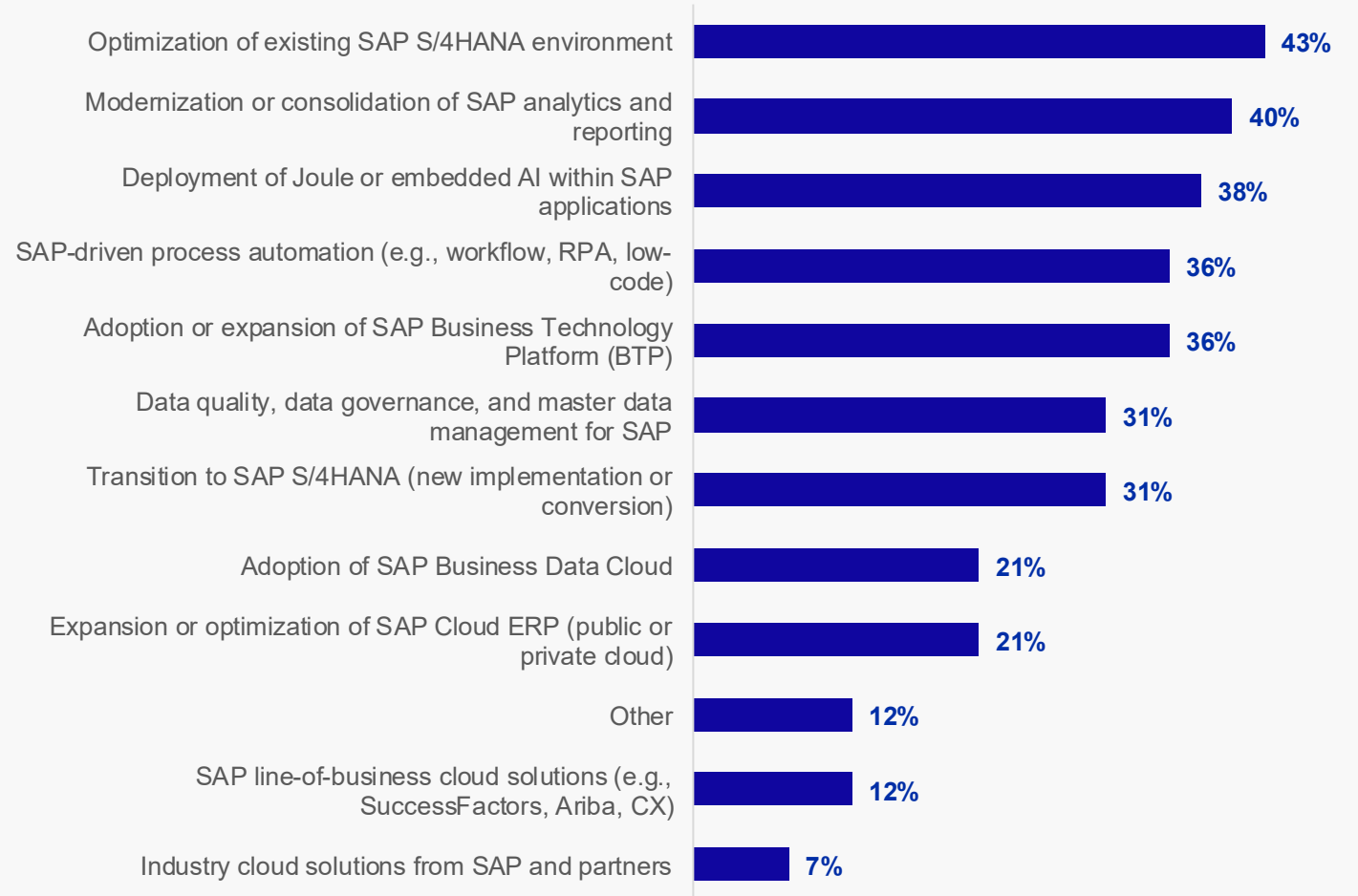


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Given the importance of ERP systems to the businesses they support, it is no surprise that optimizing SAP S/4HANA environments to get the most out of that deployment is the highest priority for technology leaders. It is notable that while 43% are focused on optimizing their SAP S/4HANA environment, just 31% are still working on transitioning to SAP S/4HANA. This reflects the growing number of organizations that have already at least deployed SAP S/4HANA even if they have not yet switched to it.

Reflecting the importance of AI, the third most important SAP-related initiative is the deployment of Joule or embedded AI within SAP applications. While SAP has been pushing Joule, adoption has been slower within the broader SAP community. This suggests that technology leaders are starting to accelerate their plans for AI in SAP.

Planned SAP-Related Initiatives in 2026

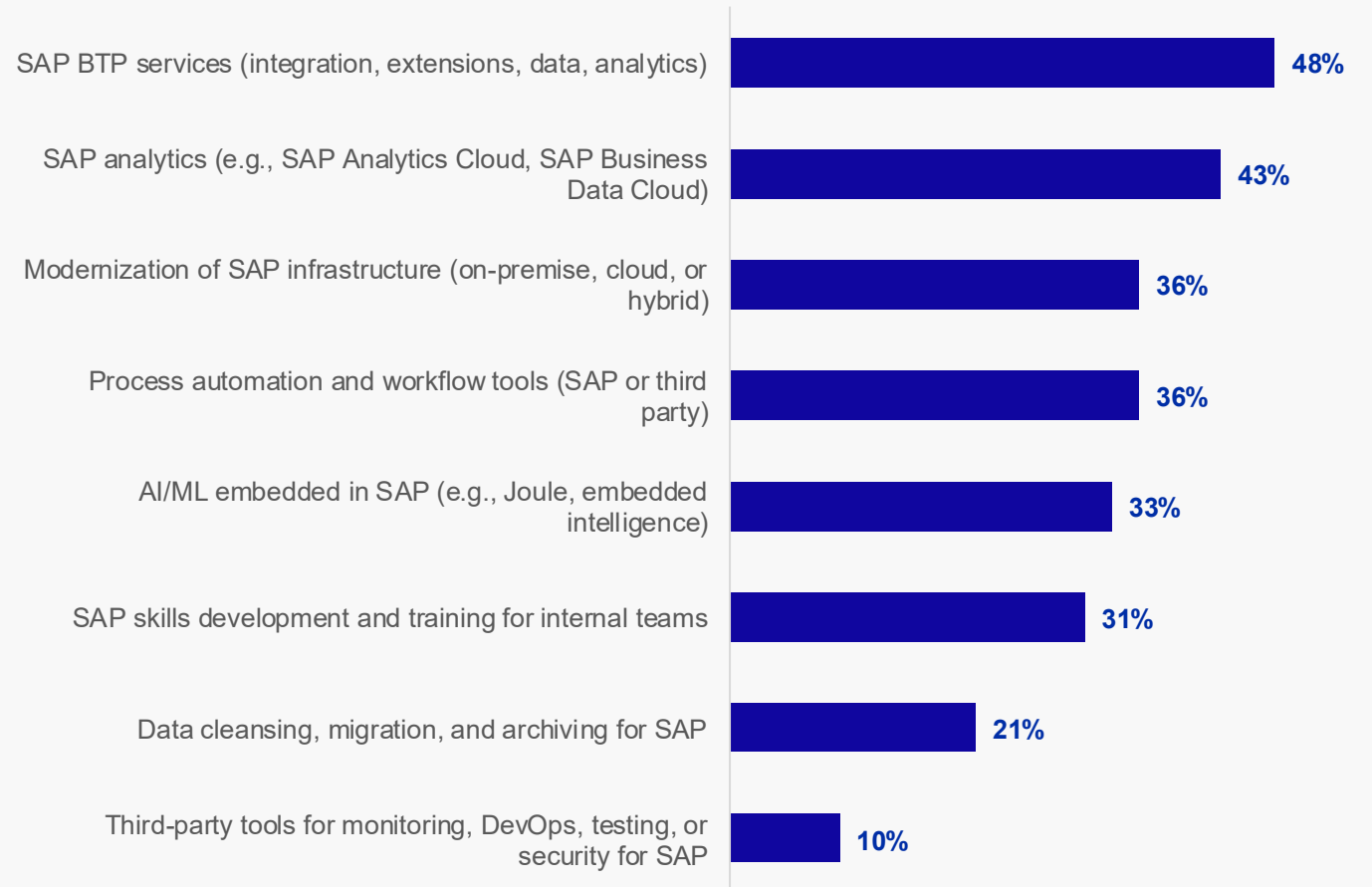


5

With core ERP often consuming the lion's share of technology budgets, it is important to understand where leaders plan to invest beyond their ERP systems. Interestingly, planned investments do not necessarily align with the planned initiatives reported previously.

Adoption or expansion of SAP Business Technology Platform (BTP) was fifth on the planned initiatives list but first behind core ERP on planned investments. Similarly, embedding AI in SAP systems was third in the list of planned initiatives but fifth in the list of planned investments. This reflects the reality of the balance technology leaders must achieve with scoping and funding projects. With the foundational role SAP BTP plays in SAP landscapes, it makes sense that leaders must find these initiatives first and that AI, while important, may be secondary from a funding perspective.

Planned SAP Investments for 2026 (Beyond Core ERP)

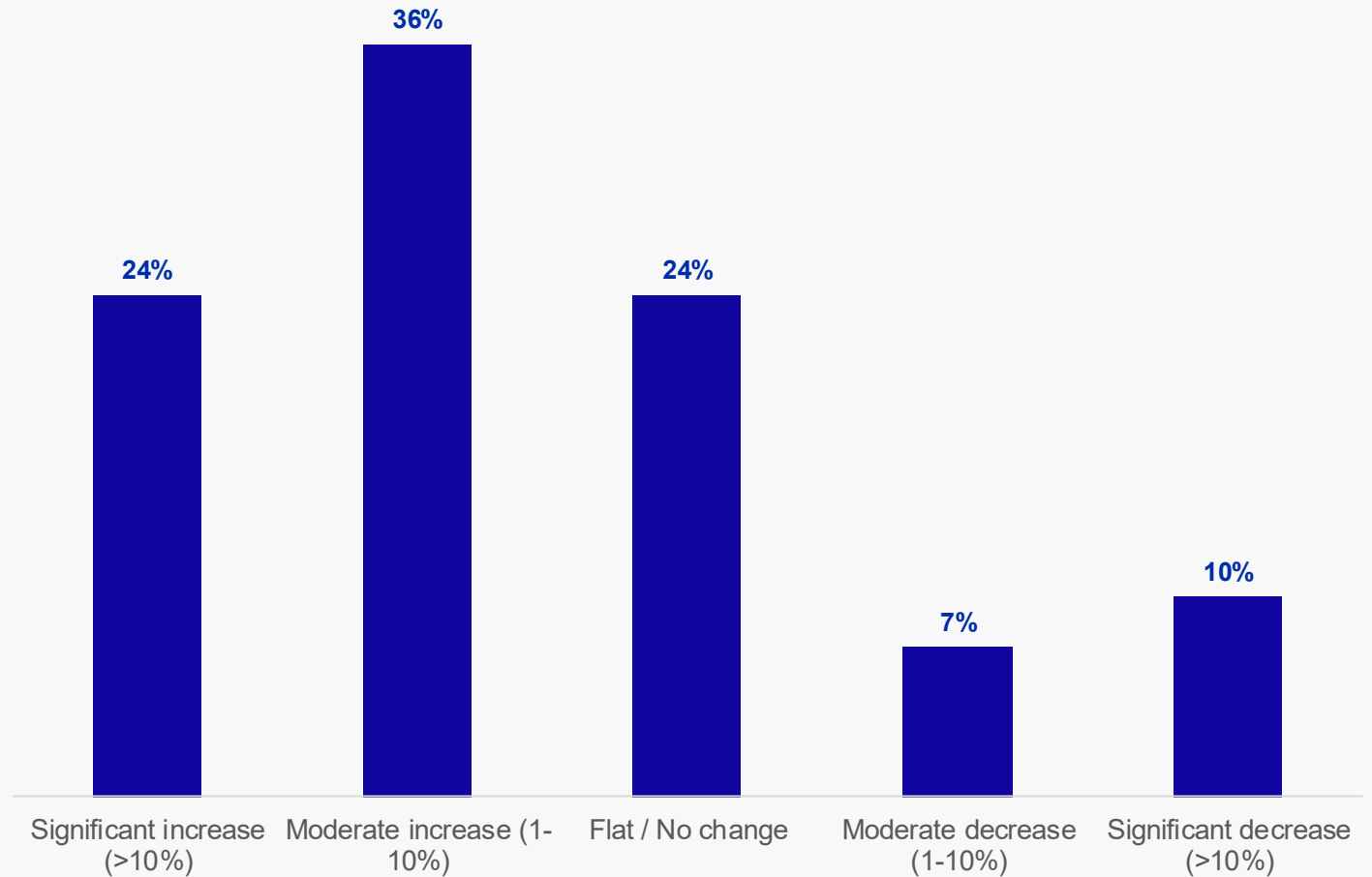


6

Despite the challenging global macroeconomic environment, most respondents report that SAP budgets will at least remain the same in 2026, while 60% report that they will increase. The reality of SAP costs typically increasing year over year makes this vital to sustain existing landscapes for customers and have some investment in new technologies.

Those who report that that their SAP budgets are decreasing (17%) are most likely either significantly downscaling the size of their SAP environments or may be replacing existing SAP applications with those from another vendor.

Change in SAP and IT Budget for 2026

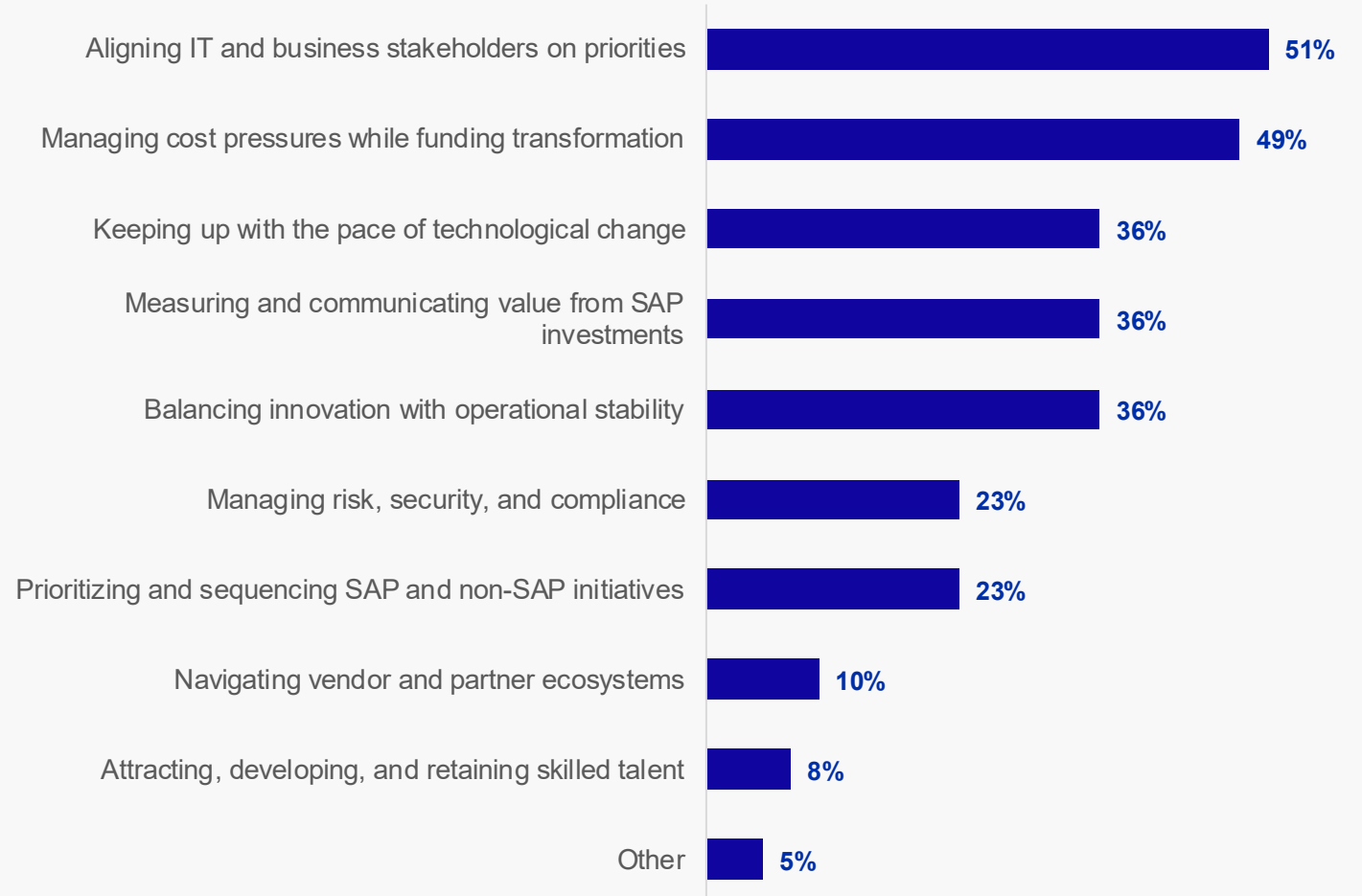


7

The biggest challenges as a technology leader relate to aligning IT and business priorities and managing cost pressures. This is very much in line with the top business priorities identified for 2026.

It is interesting that when looking at slightly less significant challenges, technology leaders must work to keep up with the pace of technological change. Moreover, something that can be difficult for organizations that are two or more generations behind SAP announcements is communicating the value of SAP investments to executive sponsors and business leaders, while balancing a need to innovate with keeping environments stable.

Biggest Challenges as a Technology Leader in 2026

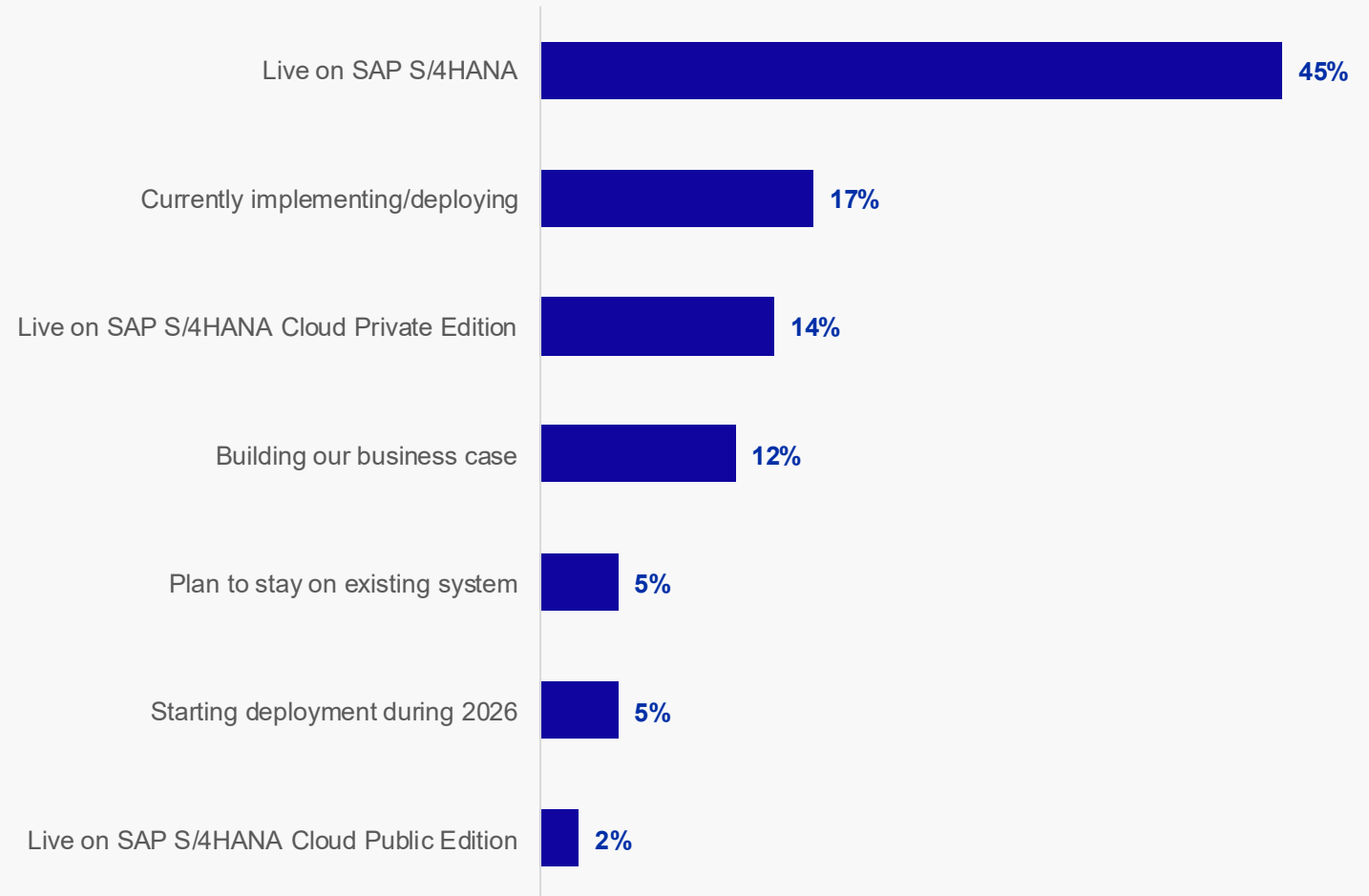


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Aligning with SAPinsider research on the move to SAP S/4HANA, 45% of technology leaders identify that they are already live on SAP S/4HANA. A significantly lower number, 14%, report that they are live on SAP S/4HANA Cloud Private Edition. This reflects the fact that those who have already deployed SAP S/4HANA using perpetual licenses may be reluctant to give up those licenses and move to an SAP Cloud ERP Private (previously called RISE with SAP) contract. However, these same leaders are likely under intense pressure from their SAP account teams to perform that very move.

A relatively small proportion of respondents are in the planning phase or plan to start their deployment during the coming year.

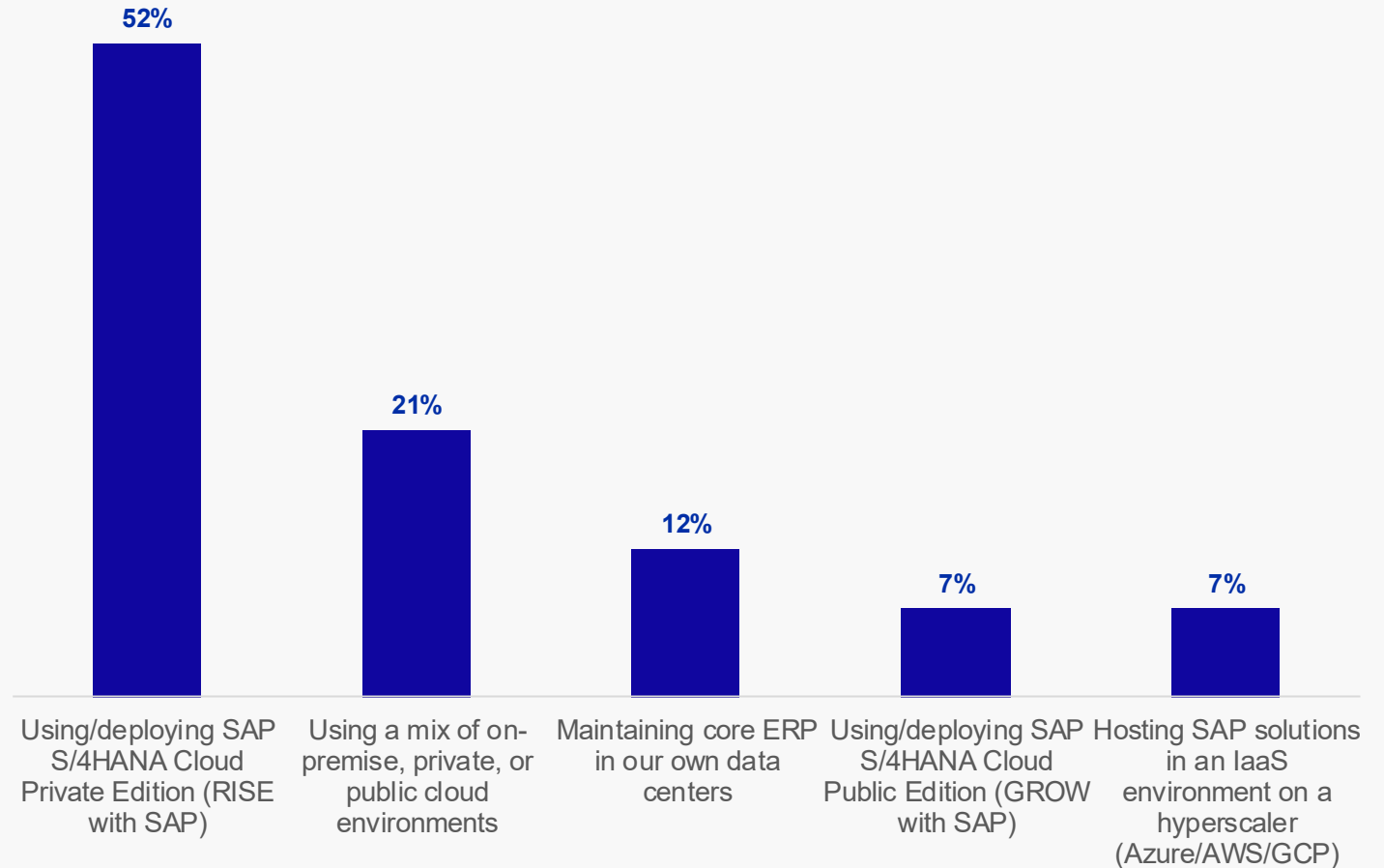
Current Status of SAP S/4HANA Journey



9

Reflecting the pressure that SAP is putting on organizations to move to Cloud ERP, and the fact that generative AI can only be accessed in SAP S/4HANA when on a Cloud ERP contract, more than half the technology leaders surveyed (52%) plan to change their SAP S/4HANA environment to SAP S/4HANA Cloud Private Edition over the next two years. Only 7% plan on moving to SAP S/4HANA Cloud Public Edition. A relatively small proportion (12%) plan to maintain their ERP deployment in their own data centers, while 21% will continue to use a mix of cloud and on-site environments.

Cloud ERP Strategy Through End of 2027

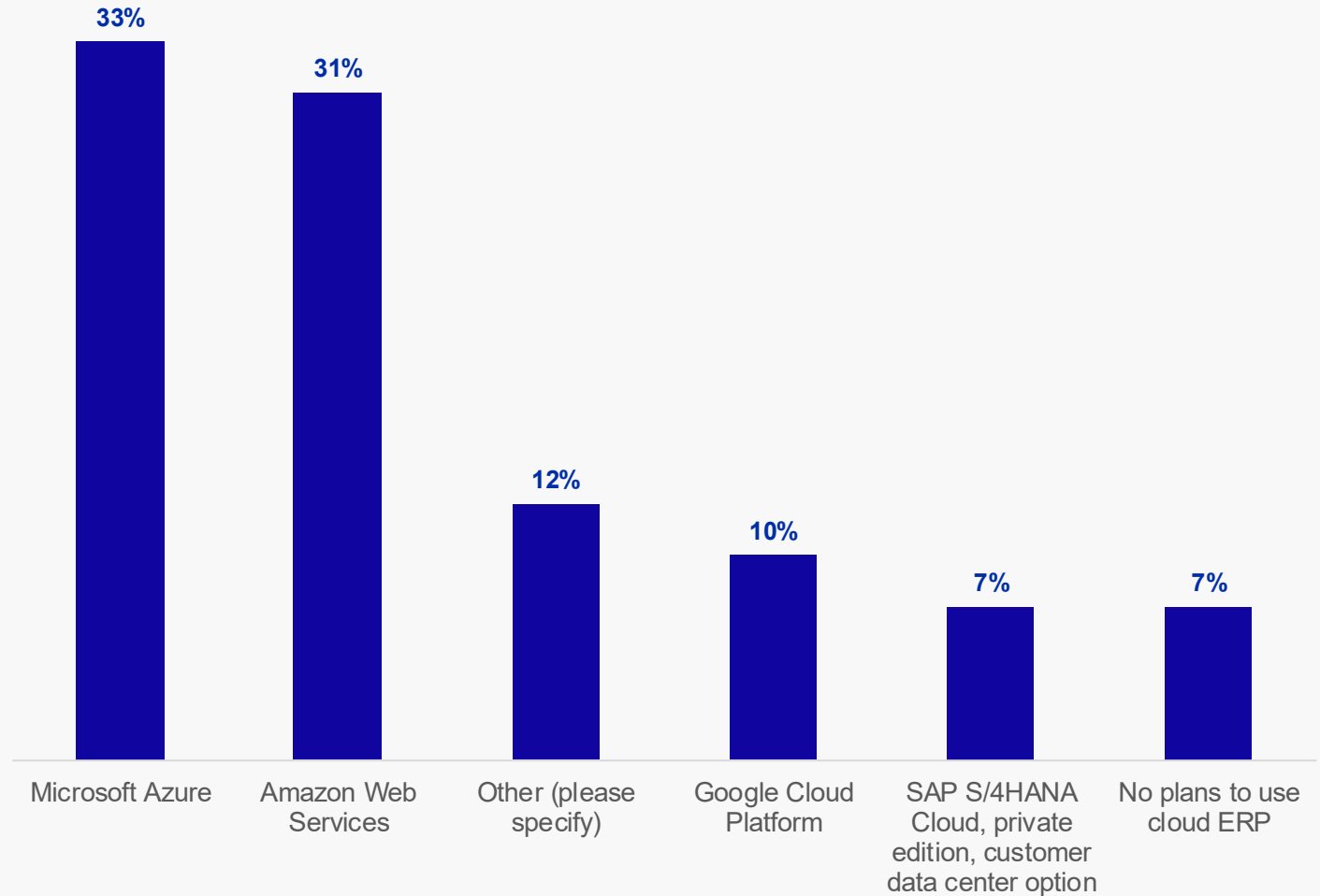


10

As many enterprises already have global contracts for tools like Microsoft 365 it is no surprise that Microsoft Azure is slightly ahead of Amazon Web Services when it comes to the most likely cloud provider to support cloud ERP strategies.

However, it is smaller organizations, those with revenues less than \$2 billion annually, that are more likely to use Azure (47%) than AWS (23%), while those with revenues over \$2 billion are as likely to choose Azure (30%) as they are AWS (30%). This likely reflects the significant investments AWS has made in the SAP space over the last two years.

Cloud Providers Supporting Cloud ERP Strategy

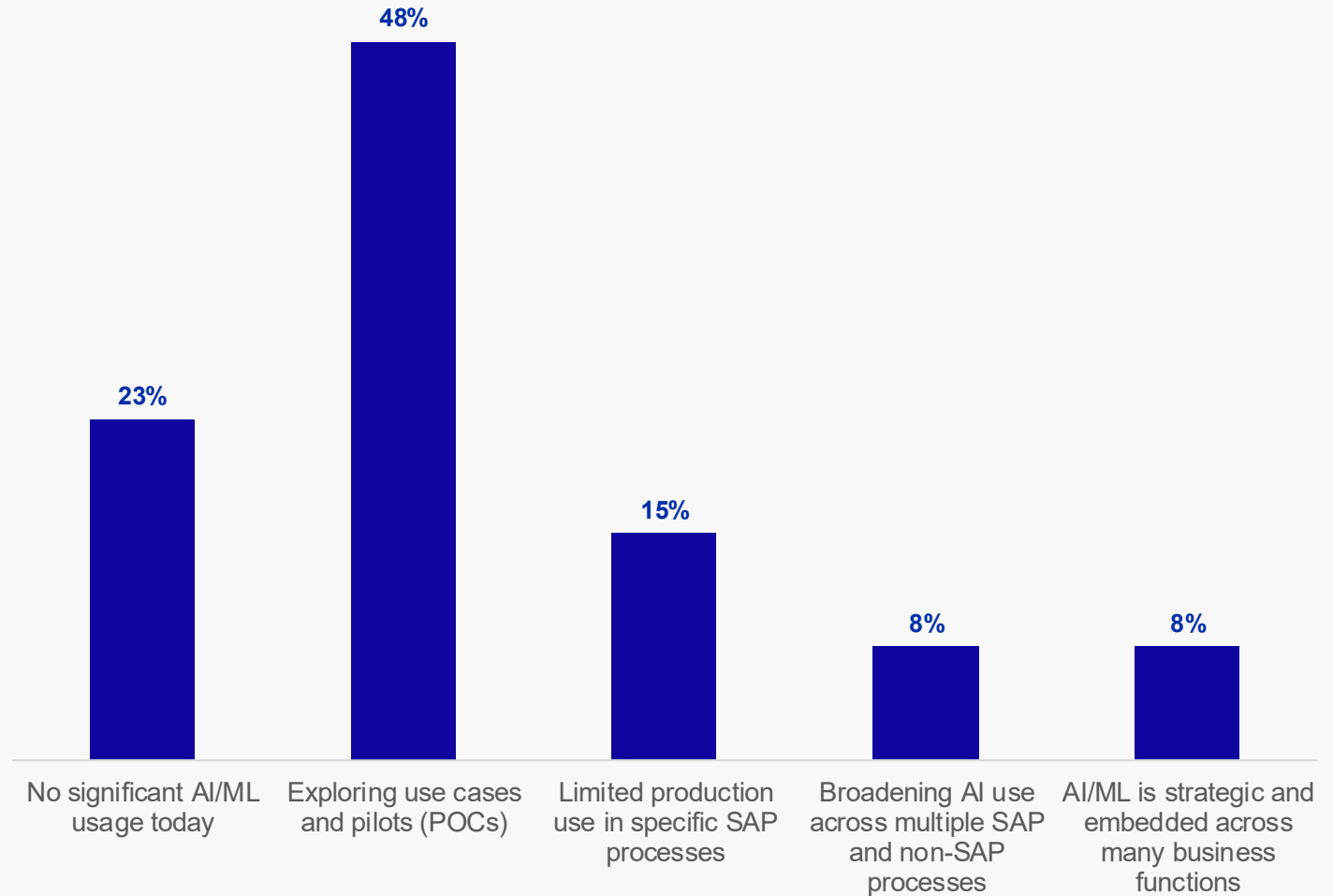


11

Although AI adoption is increasing strongly across the enterprise, it is more conservative in SAP environments. This is reflected in the fact that 71% of respondents report that they are at most exploring use cases and pilots for the use of AI and ML in their SAP systems, and 23% have no significant AI or ML usage today.

This is likely because, for many customers, the use of AI in SAP applications initially required Joule which was only available in ERP systems through Cloud ERP (RISE with SAP or GROW with SAP) contracts. Given an acceleration in adoption of both Cloud ERP and plans for Joule over the coming two years, this level of adoption is expected to change.

Current Stage of AI and ML Adoption Related to SAP



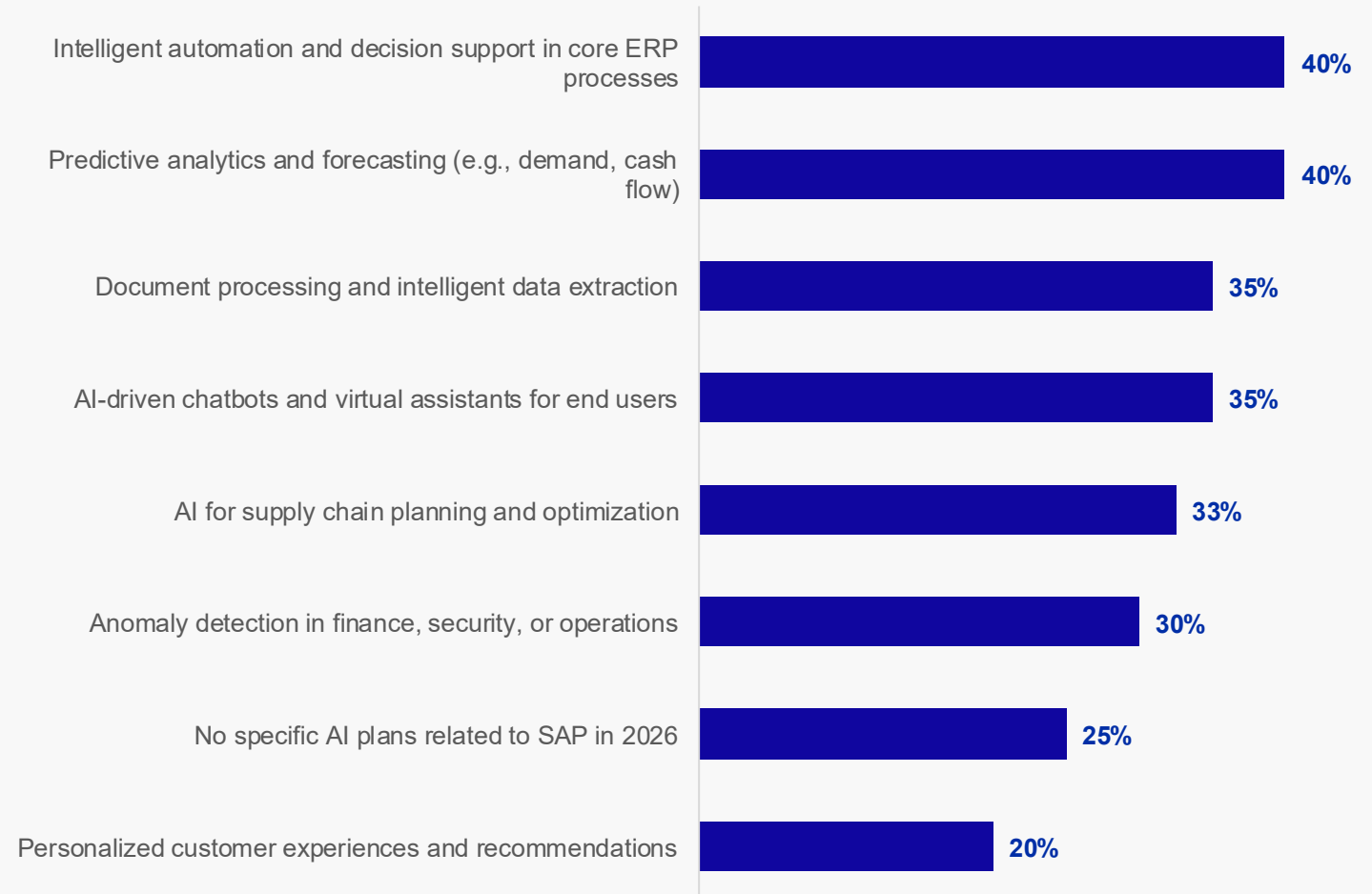
12

Finding the right use case for AI can be challenging. Although there are many possibilities, not all deliver ROI and others may not be available within existing SAP environments.

For the coming year, leaders plan on initially using AI to support intelligent automation and decision support in ERP processes, or for predictive analytics and forecasting. These are use cases that many already have experience within other environments and can leverage the strengths of AI in SAP.

Interestingly, AI chatbots is only fourth on the list despite leaders prioritizing the deployment of Joule in their planned 2026 initiatives.

Planned SAP-Connected AI and ML Use Cases in 2026

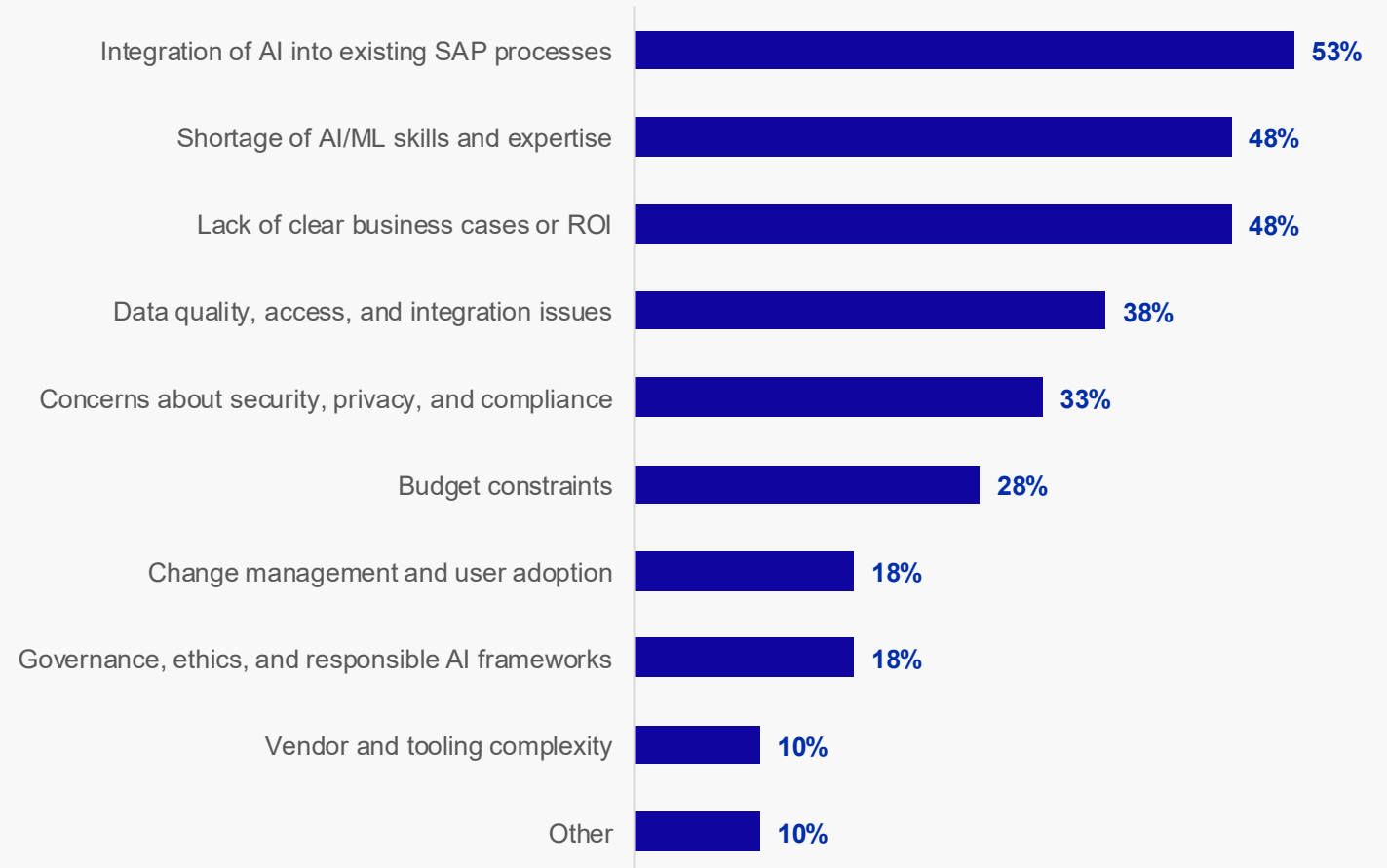


13

Integrating AI into existing SAP processes can be challenging because, depending on the SAP systems owned and in use, there may not always be use cases that are immediately available. For example, those without Cloud ERP licenses could not use Joule, and those without SAP BTP could not access AI Foundation to connect AI to the applications they are building.

However, the challenges of a shortage of AI skills and expertise and a lack of a clear business case or ROI may continue past this year as leaders work to ramp up existing teams and search for the best use cases for AI in their SAP environments.

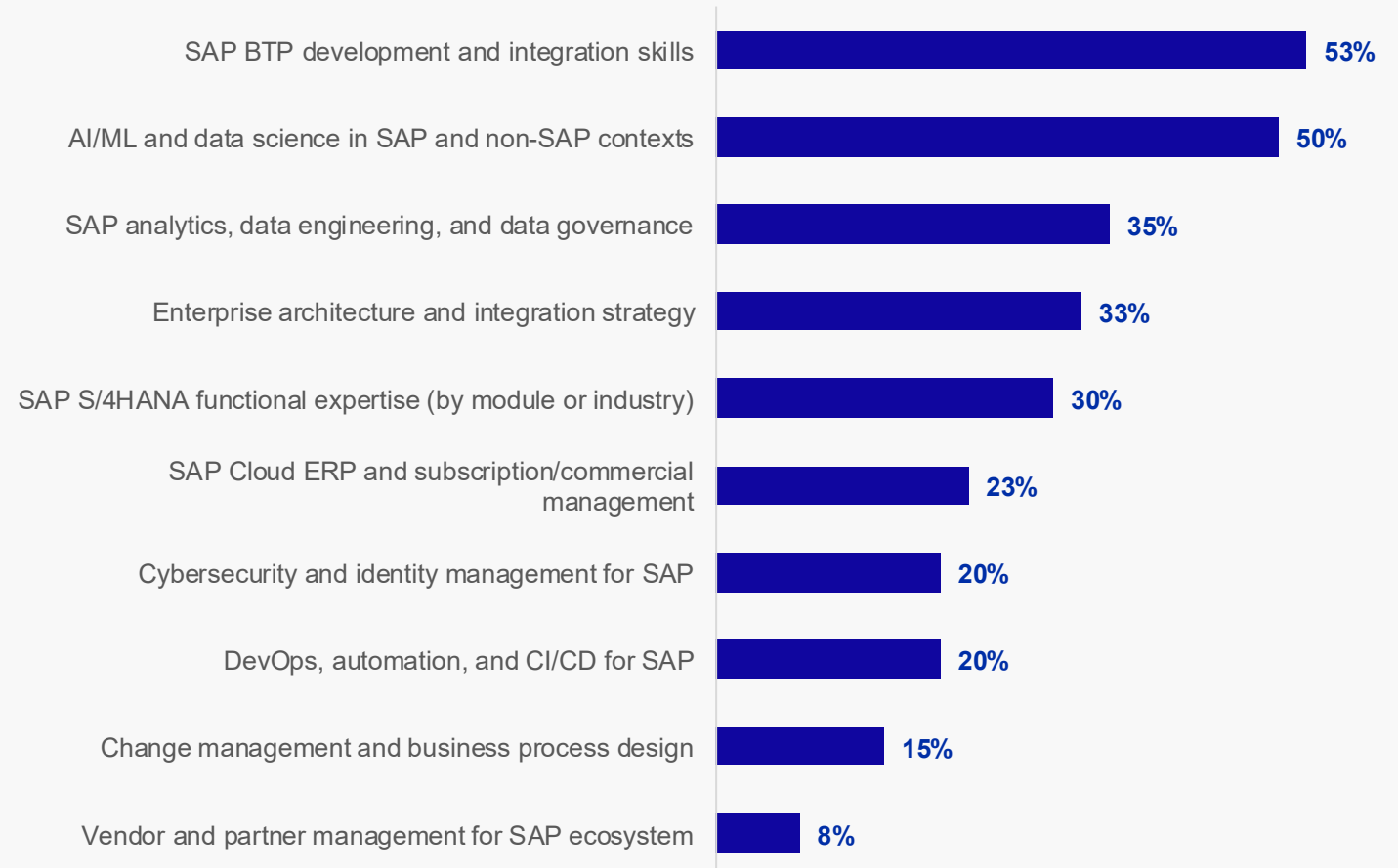
Biggest Challenges Faced in Adopting AI in SAP Environments



14

Since SAP BTP plays a foundational role across the new SAP Business Suite, underlying many applications and providing the integration, connectivity, and security between applications in the Suite, it is no surprise that SAP BTP is the most critical skill set to acquire or strengthen in 2026. And, given that a lack of AI-related skills was a challenge to rolling out AI, it makes sense that organizations are prioritizing acquiring these skills in 2026.

Most Critical SAP-Related Skill Sets to Acquire or Strengthen in 2026

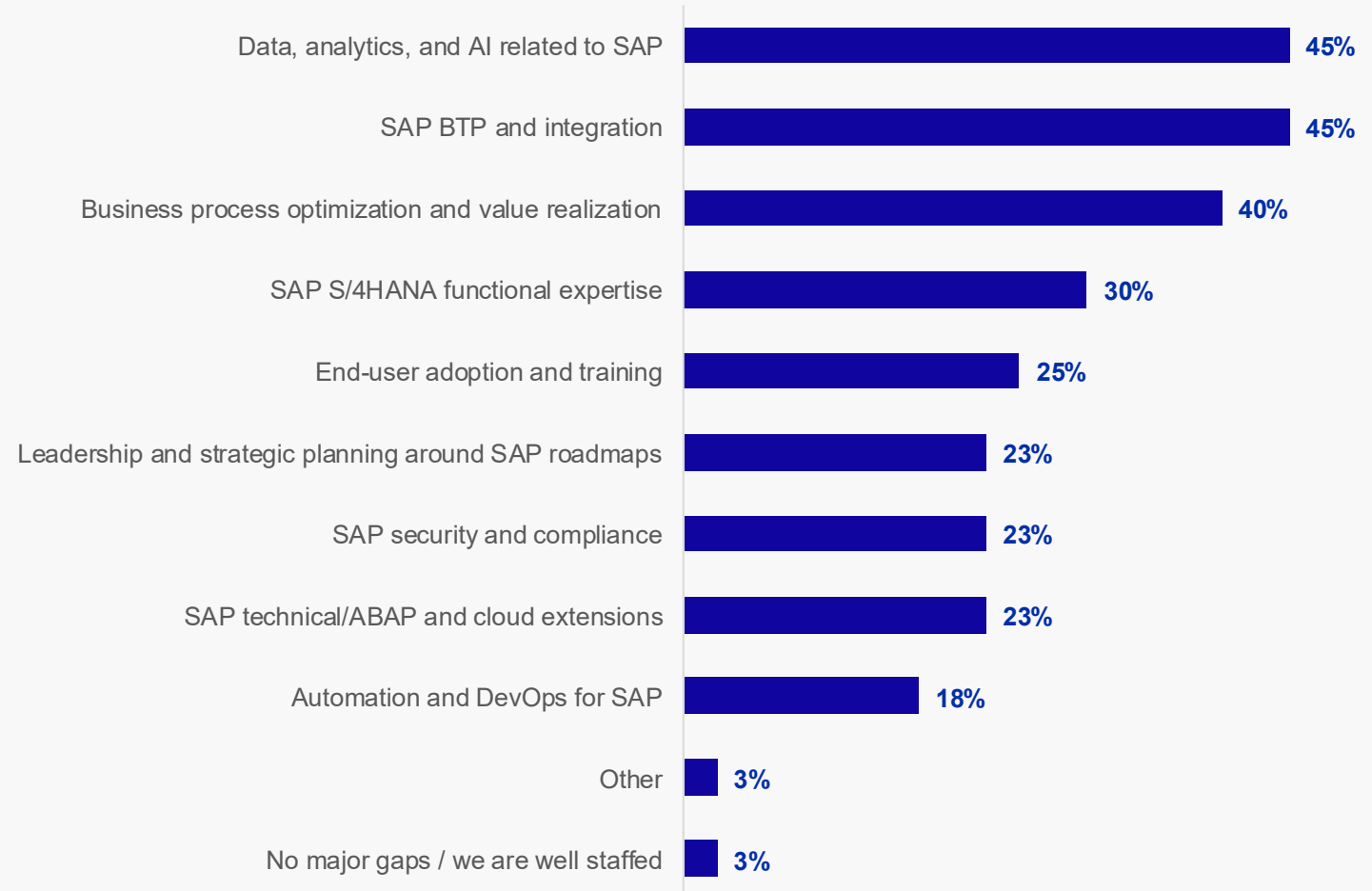


15

Just as acquiring AI and SAP BTP skills is a goal for 2026, these same two areas make up the biggest skill gaps for technology leaders today. Close behind these is a skill gap around business process optimization and value realization.

Interestingly, only 30% of leaders identify SAP S/4HANA functional expertise as an area where they are facing a skill gap. This likely reflects the investments made during previous years in ramping up SAP S/4HANA skills as having addressed that challenge in many organizations.

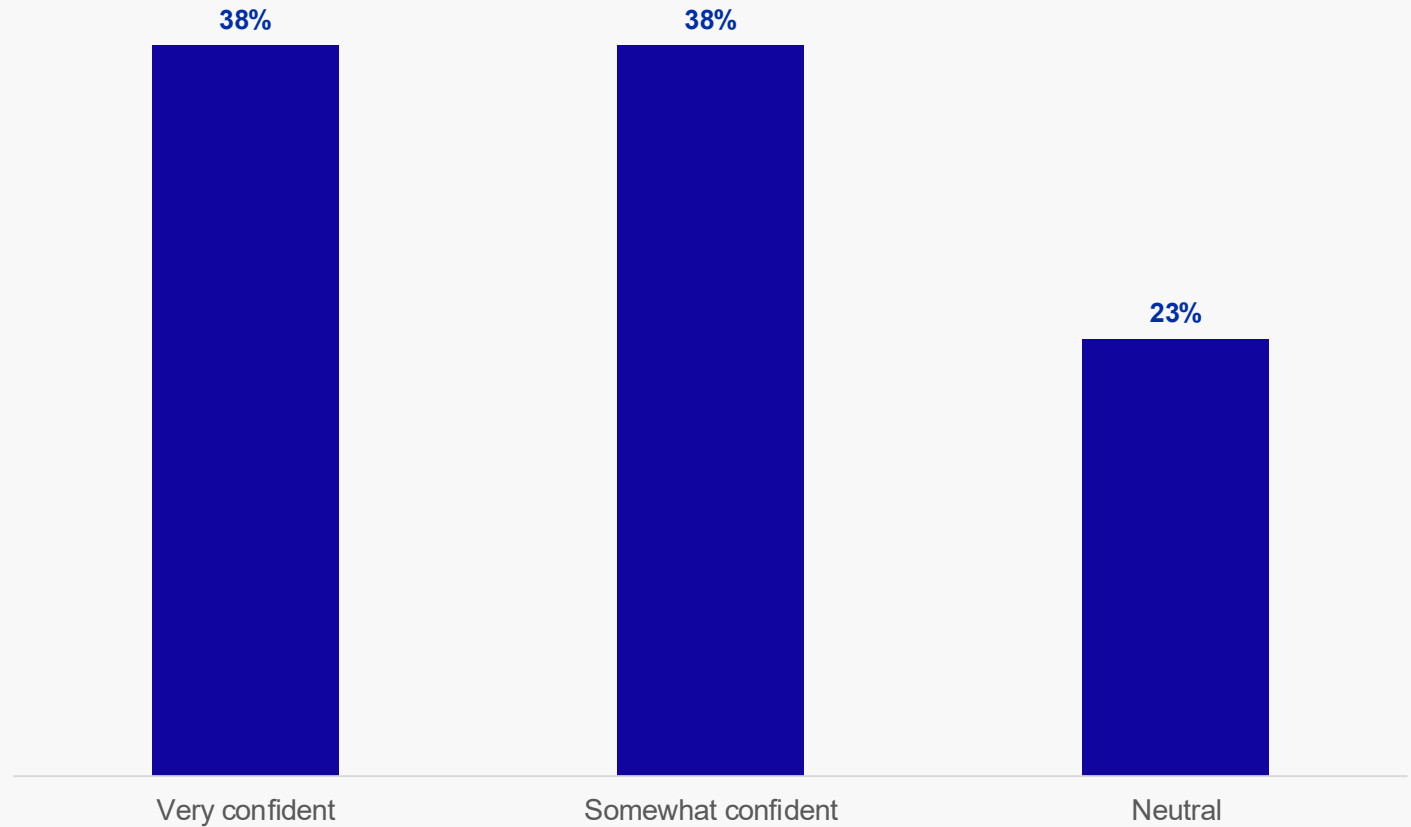
Biggest SAP-Related Skill Gaps Today



16

Respondents were asked to rank their confidence that the current SAP strategy would support their organization's goals through 2026, but no respondent indicated that they were not so confident or not at all confident in that being the case.

Confidence that Current SAP Strategy Will Support Organization's Goals Through 2026

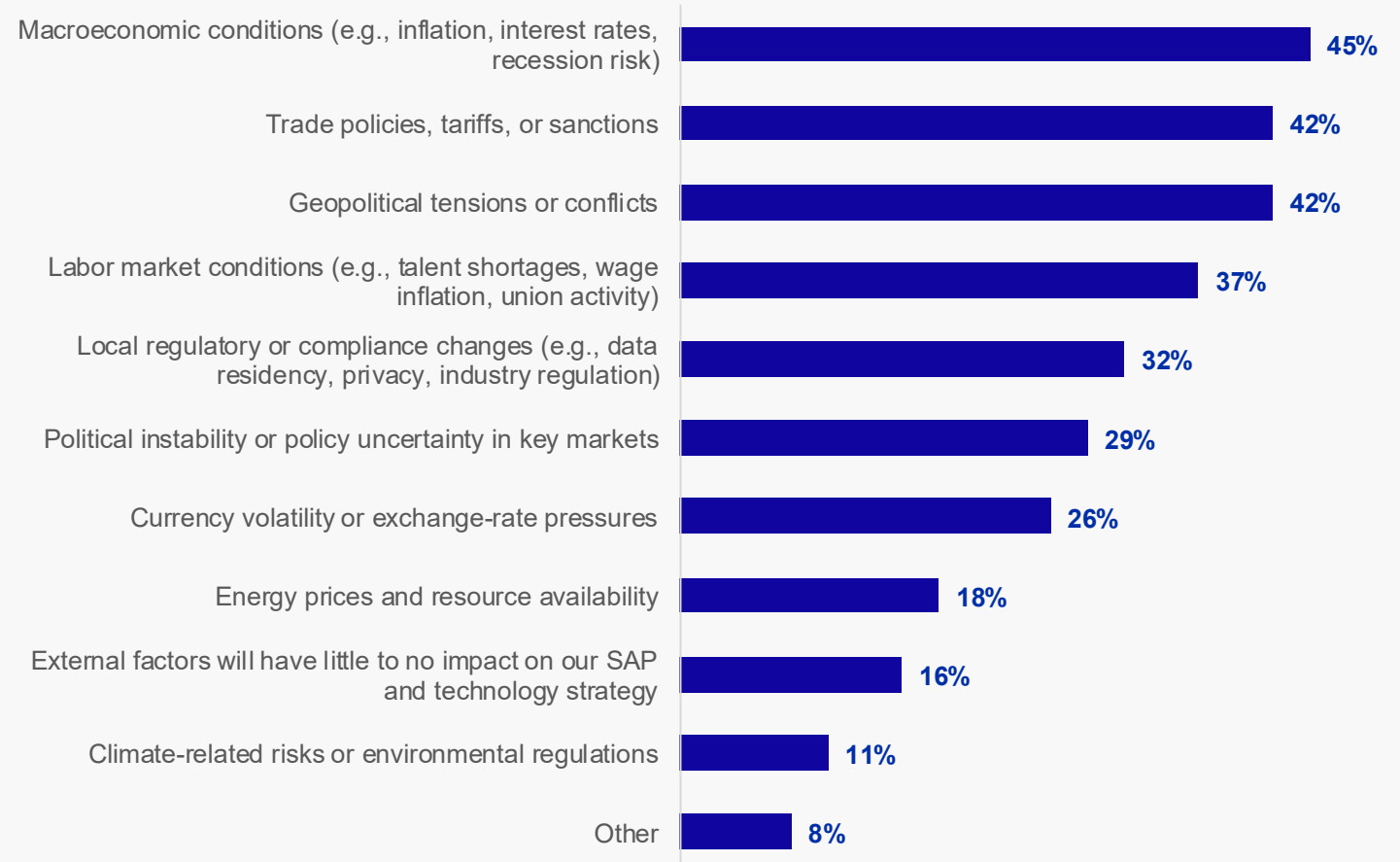


17

The current global macroeconomic environment may well change the plans for many organizations over the coming year just as trade policies, tariffs, and sanctions did in 2025. Coupled with geopolitical tensions and conflicts, which have accelerated over the last month and were not yet at play when the survey was in the field, technology leaders have many concerns about their plans for 2026.

While not unexpected, this list reflects the balance that technology leaders must meet as they put plans in place for the year ahead knowing that demands will come from the business that may significantly change those plans, something that can be extremely challenging when embarking on a major project like an ERP transformation.

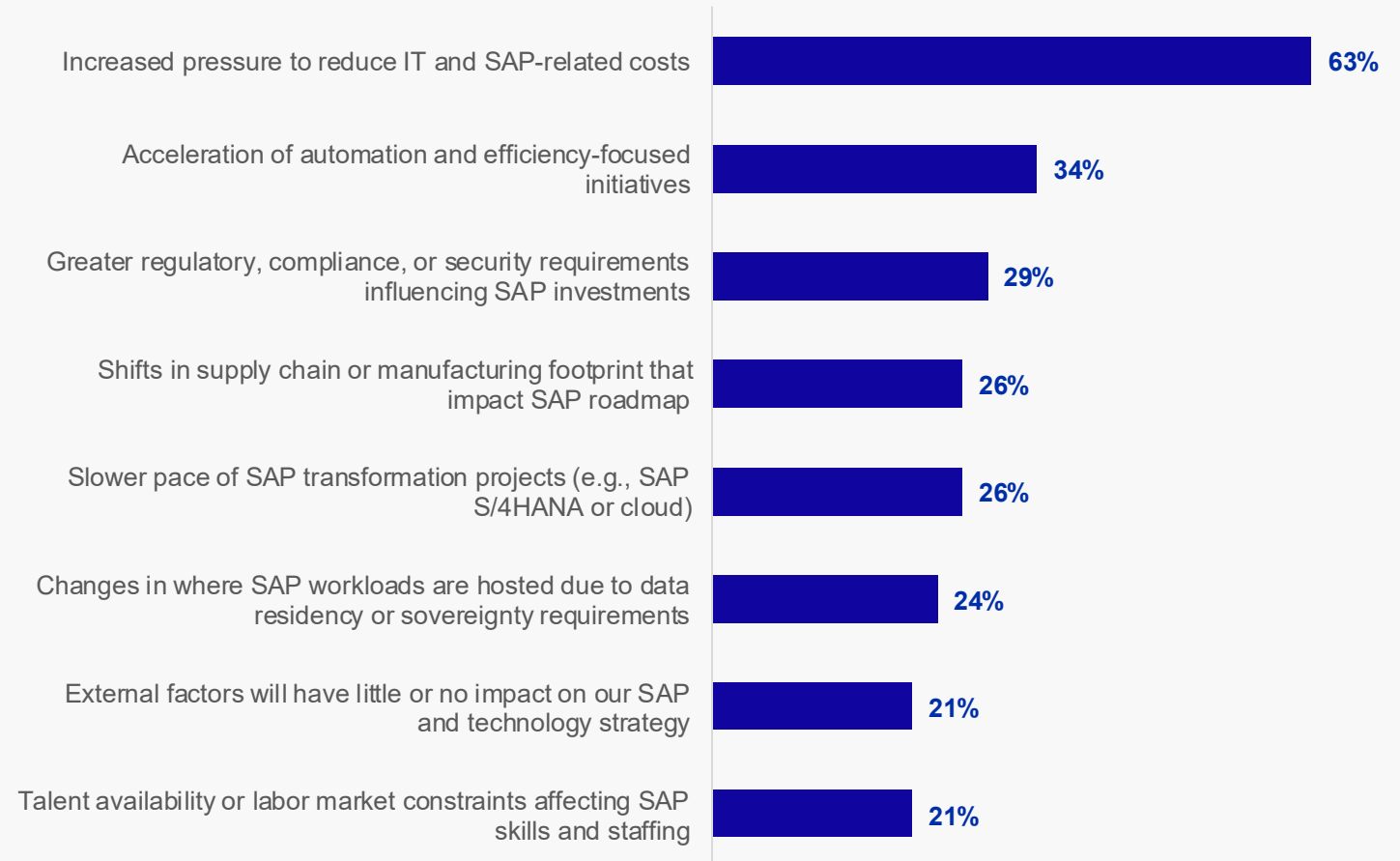
Global Factors Likely to Impact Organizational Strategy and SAP Roadmap for 2026



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The biggest impact leaders expect from the global factors listed on the previous slide is around better managing costs or even reducing budgets. When organizations must rapidly pivot to deal with external factors, every department must contribute to savings that will provide the company with additional flexibility. While technology projects are important, these groups often suffer the brunt of these cuts as their spending may not be fully committed for the year. This is part of the reason why the average term of a CIO or technology leader is only three years. But it is also what makes their role crucial.

Expected Impact of Global Factors on SAP and Technology Strategy for 2026



THANK YOU

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