March 2026
Business Value Solution Brief
Sponsored by SAP

The Business Value of SAP Build for SAP Cloud ERP Customers

Arnal Dayaratna
Research Vice President,
Software Development, IDC

Matthew Marden
Research Vice President,
Business Value Strategy Practice, IDC

Table of Contents

Click any title to navigate directly to that page.

Business Value Highlights

Click each to jump to related content. Use "Return to Highlights" in the page header to get back here.

$131.3 million higher revenue per organization per year

58% faster to complete extensions

2.1 times more innovative projects completed

44% higher development team productivity

71% fewer business processes with errors

32% more efficient business process teams

IDC Opinion

This IDC Business Value study examines the experiences of organizations using SAP Build to extend and automate their SAP Cloud ERP environments. The research finds that SAP Build and its AI-powered capabilities play a critical role in the interviewed organizations that are modernizing their ERP landscapes while enabling a clean core, accelerating the delivery of extensions and automations, and improving productivity

across IT and business teams. Study participants consistently reported that SAP Build has enabled faster development cycles, higher process quality, and measurable improvements to business outcomes, in addition to providing the foundation for moving forward with AI-powered use cases.

Interviewed organizations have experienced the following common benefits of using SAP Build for their SAP Cloud ERP environments:

- **Faster and more efficient development of extensions:** Prebuilt templates, unified workflows, AI assistance, and validation accelerate extension development while reducing effort and reliance on custom code.
- **Improved process automation and higher process quality:** Automated workflows replace manual steps, reduce cycle times, and improve data accuracy through real-time validation and AI-enhanced automation.
- **Higher productivity for IT staff and business users:** Automation and streamlined processes free staff time, reduce rework, and enable focus on higher-value activities, while AI-supported insights support business decision-making.
- **Accelerated modernization, integration, and innovation:** Clean-core extensibility and cloud-based tools enable faster modernization, simpler integrations, and quicker delivery of new capabilities.

For SAP Cloud ERP customers, SAP Build provides an AI-powered extensibility and automation layer that supports clean-core principles, which enables organizations to add differentiated capabilities without embedding modifications in the ERP core. By unifying extension development, workflow automation, and access control within a managed SAP environment, SAP Build helps teams standardize enhancement delivery, eliminate fragmentation across tools and custom code, and scale capabilities across IT and business functions. The results below demonstrate how this approach delivers measurable improvements in development speed, team productivity, process quality, and business outcomes while establishing a foundation for AI-enabled use cases.

Situation Overview

In an era of rapid innovation, organizations face mounting pressure to modernize quickly or risk obsolescence. The rapid pace of change is especially pronounced with AI, where new models, new tooling, and new automation patterns reset expectations for speed, cost, and user experience in short cycles. As a result, organizations must treat modernization as a core requirement for keeping digital capabilities aligned with business priorities and technology realities. This means every digital solution needs a modernization path, inclusive of customer-facing applications, internal workflows, integrations, and operational systems that support day-to-day execution. When modernization lags, technical debt accumulates and delivery slows, which reduces organizations' ability to adopt new capabilities and respond to change.

The contemporary importance of modernization means it must function as a continuous process rather than a one-time project that ends with a migration or a major upgrade. A continuous approach emphasizes incremental change that keeps systems current while reducing disruption and risk over time. Organizations need approaches that enable frequent, lower-risk releases rather than large, disruptive transformation programs that lag the market. This posture supports the ongoing adoption of emerging capabilities, including AI, without forcing organizations into repeated cycles of large-scale rework. It also creates the operating foundation for sustained innovation rather than isolated initiatives that struggle to scale.

This imperative extends to ERP environments, where the platform remains the system of record for core operations and must evolve as processes, integration requirements, and automation expectations change. Traditional customization approaches that embed modifications directly into the ERP core can slow modernization by increasing maintenance burden and complicating upgrades. As a result, SAP Cloud ERP customers increasingly prioritize clean-core extensibility approaches that move extensions and automation outside the ERP core while preserving connectivity and upgrade paths. This architecture creates a more stable baseline for modernization and supports the adoption of new capabilities without disrupting mission-critical operations.

Modernization in ERP environments also requires robust integration with systems beyond the SAP ecosystem. Enterprise automation and application development rarely operate within a single vendor boundary, which means modernization platforms must connect SAP Cloud ERP with third-party SaaS applications, on-premises systems, data sources, and external APIs that support critical business processes. Organizations need to orchestrate workflows that span CRM platforms, supply chain applications, HR systems, and industry-specific tools alongside SAP data and processes. Without native support for

non-SAP integration, modernization efforts fragment across disconnected tools, which increases complexity and limits the ability to create end-to-end automation. SAP Build unifies SAP and non-SAP connectivity within a single environment, reduces integration overhead, and enables organizations to modernize processes holistically rather than in isolated segments.

At the same time, AI has become central to how organizations approach modernization, not simply as a capability to adopt but as a means to accelerate and sustain the modernization process itself. Organizations increasingly use AI to generate code, automate workflows, orchestrate integrations, and drive decision-making within business processes, which means AI functions as an outcome of modernization and as an enabler of continuous change. However, many enterprises struggle with AI implementations that arrive as bolt-on additions rather than integrated capabilities, which create governance gaps, fragment tooling, and limit the ability to scale AI from pilot projects to production systems. For SAP Cloud ERP customers, this challenge requires a development platform that treats AI as a foundational element, where AI capabilities operate within the same governance, life cycle, and operational frameworks that manage mission-critical business processes.

SAP Build for SAP Cloud ERP

SAP Build is an AI-first development platform that treats AI capabilities as default participants across the entire development life cycle rather than as supplementary tools. The platform implements AI-first development through five integrated capabilities that address how organizations scale AI-driven development within enterprise constraints.

Native AI and Agent Development

SAP Build provides native agent development and copilot capabilities through Joule Studio, embedded into the platform by default. Developers create custom agents, leverage commercial off-the-shelf agents, and orchestrate them within the same development surface used for traditional application logic. The platform treats agents as standard entities alongside applications and workflows, so they inherit the same deployment pipelines, monitoring frameworks, and access controls.

Openness to External AI Tools and Agents

SAP Build supports developer choice by providing native integration with third-party AI coding assistants and agents. The basis of this openness is the recognition that AI

innovation moves at unprecedented velocity, with new tools and frameworks emerging continuously. Developers work with the AI tools that best suit their workflows, while external agents operate on SAP business objects and data products rather than generic data structures.

Business-Aware Context for Agents

SAP Build connects agents directly to the business objects, data models, and events already present in an organization's SAP environment. Agents can access customer records, order data, inventory information, and process workflows without requiring developers to rebuild data models or write new integration code. When an agent accesses a customer record, it automatically inherits the same access permissions, data quality rules, and audit trails that apply to traditional applications.

Persistent Memory and Agent Mining

SAP Build incorporates agent mining through SAP Signavio and persistent memory across interactions that support continuity rather than stateless conversations. These features allow agents to operate with enterprise awareness, since the platform retains relevant history and behaves consistently across repeated interactions. Agent mining identifies automation and agent opportunities from existing process data, which accelerates the path from insight to implementation.

Outcome-Oriented Development Across Paradigms

SAP Build collapses the traditional distinction between pro-code and low-code by shifting the primary abstraction from syntax to the desired outcomes. When developers can express what they want to achieve, through natural language prompts or declarative specifications, pro-code and low-code become interchangeable interaction modes over a shared application model. Developers use natural language to generate services or data models, then refine those artifacts in professional development environments with visual designers without crossing tool boundaries.

Supporting Continuous AI Innovation

SAP Build embraces the rapid pace of AI advancement by treating external AI tools and agents as first-class platform citizens. Developers plug in new coding assistants, foundation models, and agent frameworks as they mature, while the platform anchors those tools in shared business context, governed data, and SAP-native processes. This combination allows organizations to adopt best-of-breed innovation in their own timeline without re-architecting applications or rebuilding integration layers whenever the AI landscape shifts.

The platform's unified governance model ensures that organizations can experiment with heterogeneous AI tools inside a single set of security, compliance, and life-cycle controls. As a result, AI adoption moves from unmanaged experimentation toward managed innovation, where organizations can scale what works and still satisfy regulatory and operational expectations for mission-critical processes. This design creates a future-ready foundation where enterprises continuously incorporate new AI breakthroughs while preserving the stability of their SAP landscape.

The Business Value of SAP Build for SAP Cloud ERP Customers

Study Demographics

This IDC research is based on in-depth interviews with nine organizations using SAP Build with SAP Cloud ERP, collecting quantitative and qualitative data on costs, benefits, and operational impact. Study participants represent a diverse mix of industries, including energy, food and beverage, healthcare, manufacturing, retail, and financial services, reflecting cross-industry applicability. On average, interviewed organizations employ approximately 110,000 employees (median of 9,000 employees) and have annual revenues of approximately $87 billion (median of $5.3 billion), indicating significant scale and operational complexity **(Table 1, below).** Geographically, the study includes organizations operating across North America, Europe, Asia/Pacific, and Latin America, with many study participants supporting multiregion or global operations, underscoring the relevance of SAP Build for distributed, enterprise-scale SAP Cloud ERP environments.

Table 1

Demographics of Interviewed Organizations

Demographics	Average	Median
Number of employees	109,761	9,000
Number of IT staff, non-developers	12,360	250

Table 1 continued next page

Table 1 continued

Demographics	Average	Median
Number of applications	269	75
Annual revenue	$86.80B	$5.30B
Countries	United States (5), India, Malaysia, Mexico, United Kingdom	
Industries	Food and Drink (3), Financial Services (2), Agriculture, Energy, Healthcare, Retail	

n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

Choice and Use of SAP Build for SAP Cloud ERP

Interviewed organizations reported commonly choosing SAP Build to address their need for a single, modern, and extensible digital platform integrated with SAP Cloud ERP while avoiding heavy customization of the ERP core. They emphasized the importance of maintaining a clean core as their SAP environments grew more complex, using SAP Build to shift extensions, workflows, and integrations to a managed, cloud-based layer. Study participants also cited benefits such as faster time to value compared with legacy custom development and the value of having unified access and strong security. Additionally, interviewed organizations selected SAP Build to simplify operations, benefiting from a fully managed SAP solution aligned with their broader SAP ecosystem strategy and future innovation goals, including automation and AI-enabled use cases.

Interviewed SAP customers spoke in more detail about their organization's decision to use SAP Build:

Establishment of a single platform:

"We needed a way to quickly update our legacy systems into one single digital platform. That's where SAP Build came in. It allowed us to upgrade our core business instead of updating one vertical at a time."

Ability to leverage the existing SAP ecosystem:

"One of the reasons we chose to use SAP Build was continuing with the same brand. We also believed that, in terms of production, market competitors were not as robust as the SAP platform."

Ease of maintenance and the benefits of a managed solution:
"SAP Build makes things easier because it is fully managed. We can work with partners to develop on it, and because it is cloud based, there is no infrastructure we need to maintain."

IDC's research shows that study participants typically use SAP Build as a core extensibility and automation layer for their SAP Cloud ERP environments, supporting a wide range of users and use cases across IT and business teams. On average, organizations support 964 SAP Cloud ERP users with SAP Build–enabled extensions and workflows, with usage spanning developers, IT operations, and line-of-business users who interact with automated processes and digital workspaces. Study participants commonly reported using SAP Build for multiple extensions per year, including workflow-driven approvals, master data management, integrations, and custom applications, with development and automation efforts increasingly centralized on SAP Build rather than embedded in the ERP core. Overall, usage patterns indicate that organizations most often deploy SAP Build as a shared enterprise capability for use across finance, operations, and other functions to support ongoing process automation, extensibility, and modernization initiatives rather than isolated or one-time projects, or requiring multiple solutions and tools that often carry higher direct costs and staff time requirements. For additional details, please see **Table 2 (below)**.

Table 2
SAP Build Use by Interviewed Organizations

Build Use	Average	Median
Number of day-to-day users	964	300
Number of geographical locations	3	3
Number of business locations	3,805	35
Number of manufacturing facilities	140	3

n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

Business Value and Quantified Benefits of SAP Build for SAP Cloud ERP Customers

Study participants consistently reported that SAP Build delivers value by accelerating extension development, improving process execution, and increasing productivity while supporting clean-core ERP strategies. They have achieved a faster, more efficient delivery of extensions by using prebuilt templates, unified workflows, and real-time validation, which reduce development effort and replace fragmented, manual, or custom-built approaches. At the same time, SAP Build has enabled broader and more efficient process automation, resulting in shortened cycle times, improved data quality, and reduced errors. These improvements translate into measurable productivity gains for IT staff and business users because automation frees time for higher-value work and reduces interruptions caused by rework or process delays. Finally, study participants highlighted SAP Build's role in modernization and innovation, using it as a cloud-based execution and orchestration layer to integrate systems and support clean-core strategies and the increasing use of AI capabilities.

Study participants spoke about what they view as the most significant benefits of using SAP Build:

Efficiencies from out-of-the-box capabilities:

"We're leveraging out-of-the-box capabilities and using SAP-provided templates with SAP Build, whereas before, we had to build everything from scratch. This delivers an efficiency improvement of about 60%–70%."

Access to information, efficiencies, and understanding the business:

"The benefits of SAP Build are first about having a single source of information. Second, operational efficiency. And third, the ability to measure the business, knowing what is happening in any area or business process."

Improve security from unified access:

"SAP Build provides us with unified access in terms of security. And in our general SAP deployment, we refreshed all our processes, which had many legacy packages before, so everything has now been updated on the newer platform."

Improved Extensibility Capabilities

SAP Build enables improved extensibility for SAP Cloud ERP by making extensions faster to design, build, and deploy while avoiding customization of the ERP core. Study participants consistently described moving away from fragmented, custom-coded, or externally hosted integrations and instead using SAP Build as a unified extensibility layer with prebuilt templates, standardized workflows, and real-time validation. This approach brings benefits such as reducing development complexity, shortening delivery timelines, and lowering risk, allowing teams to respond more quickly to changing business requirements.

As a result, organizations can build extensions more readily when required and bring new functionality to business users more quickly. Interviewees cited examples such as supplier and intercompany portals, automated customer and supplier onboarding workflows, budgeting and financial master data applications, and role-based UI masking for sensitive data, all of which they built and iterated faster using SAP Build than with previous methods. More broadly, study participants emphasized that the broader benefit lies in SAP Build's ability to standardize extensibility across their enterprise operations, enabling repeatable, scalable extension development that supports ongoing modernization and accelerates time to value for SAP Cloud ERP environments.

Interviewed SAP customers provided examples of the extensibility benefits they have achieved with SAP Build:

Effective creation of extensions in the SAP BTP environment:

"We have several areas that we're using SAP Build for extensibility: a supplier portal, an intercompany portal, and a budgeting portal. These extensions have helped us improve in the SAP BTP area by enabling us to create those extensions effectively."

More efficient creation of extensions:

"Before using SAP Build, everything was fragmented, and we had multiple apps and separate transactions. Now, through SAP Build, we have a unified application with integrated workflows and automation, making the extension process far more efficient."

- **On average, interviewed SAP customers reported creating and delivering extensions needed by their businesses 58% faster with SAP Build for their SAP Cloud ERP environments.** In many cases, this means that they can take advantage of new functionalities and capabilities from these extensions weeks or even months earlier than they could prior to using SAP Build.

Development Benefits

Study participants explained that SAP Build has improved their development capabilities for SAP Cloud ERP by simplifying and accelerating how they design, build, and deliver applications, workflows, and integrations. They have used SAP Build to consolidate development activities that previously relied on custom code, external platforms, and manual processes into a single, SAP-native environment. They noted that prebuilt templates, low-code and pro-code tools, embedded workflow logic, and real-time validation have also helped reduce the amount of custom development required and shortened development cycles. These benefits have enabled development teams to move faster with fewer dependencies while also lowering risk by aligning development more closely with SAP-supported frameworks and clean-core principles.

These capabilities translate into more predictable and higher-quality development outcomes for organizations running SAP Cloud ERP. Study participants reported faster delivery of new applications and enhancements, improved collaboration between IT and business teams, and reduced effort spent on building and maintaining integrations. SAP Build also supports modern development practices, such as sprint-based delivery for smaller applications and incremental innovation, allowing teams to prioritize business value and deliver improvements more frequently.

Overall, by providing a managed, cloud-based development environment tightly integrated with SAP Cloud ERP, SAP Build helps organizations improve development efficiency, reduce technical debt, and better support ongoing modernization and innovation initiatives.

Much faster application implementation:

"From a DevOps perspective, for us, we're talking about 60%–65% shortened implementation cycles with SAP Build, because we've gone from needing around six months to two months to fast-track application implementations."

Reduced need to develop interconnections:

"Before SAP Build, we developed interconnections with .NET. Now, with SAP Build and SAP BTP, those connections are already there, so we moved everything we had before and have continued to add more."

Sprint-based approach to smaller applications:

"The speed to market is actually faster with our SAP Build integration, so we're now able to take a sprint approach for smaller app-based projects."

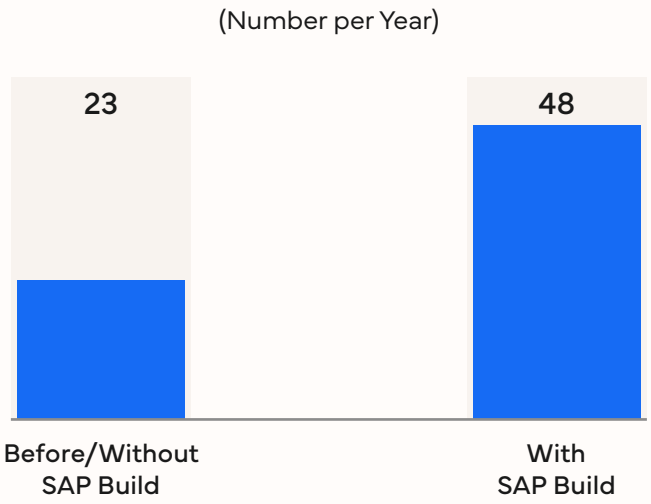
As shown in **Figure 1 (below),** these development gains with SAP Build have allowed study participants to focus on and deliver higher levels of innovation. **They reported increasing the volume of innovative projects completed by more than two times (110%) and reducing the time required to deliver these projects by 38% on average.**

Often, these projects positively impact core business operations, with examples from study participants including:

- AI-driven credit analysis and decision workflows
- End-to-end automated customer and supplier onboarding
- Real-time, AI-enhanced customer service routing and engagement

Figure 1

Innovative Projects Completed



n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

An improved ability to create and deliver innovative software and functionality means that development teams are more effective and contribute more to their organizations' success. As shown in **Table 3 (next page),** IDC calculates that development teams are an average of 44% more productive with SAP Build for their SAP Cloud ERP environments, representing a significant jump in their throughput and effectiveness.

Table 3

Development Team Productivity Gains

Value of Development Team Productivity per Organization	Before/ Without SAP Build	With SAP Build	Difference	Benefit
Equivalent productivity, FTEs per organization	103	148	45	44%
Value of equivalent productivity per organization per year	$10.30M	$14.78M	$4.48M	44%

n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

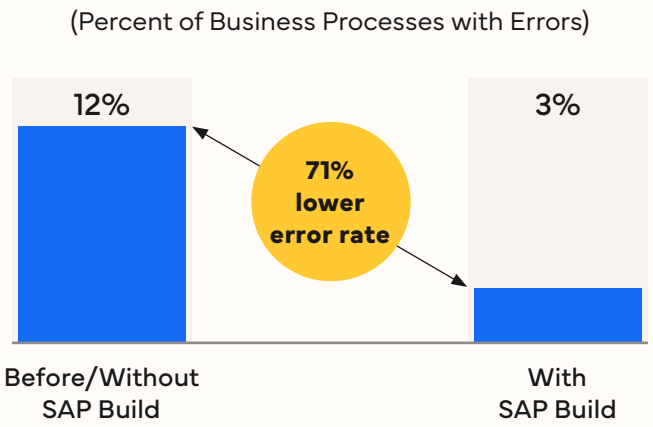
Business Process Efficiencies

Study participants have used SAP Build to make business processes more efficient, seamless, and higher quality by replacing manual, fragmented, and email-driven workflows with integrated, automated processes tightly connected to SAP Cloud ERP. They commonly describe automating approvals, master data creation, document processing, and transactional workflows, which significantly reduces cycle times and removes handoffs that previously caused delays and errors. Further, real-time validation built into SAP Build workflows ensures that data is checked before reaching SAP Cloud ERP, improving accuracy and reducing rework and downstream corrections. These capabilities allow organizations to execute processes faster and more consistently at scale, improving operational reliability while freeing staff to focus on higher-value activities and enabling SAP Cloud ERP to function as a more efficient, trusted system of record.

Study participants linked significant decreases in the frequency and impact of errors affecting business processes to their use of SAP Build for their SAP Cloud ERP environments. One interviewed organization explained: *"We use SAP Build process automation to deploy transports into production and for journal entries, where approval is built into the submission process. Another key area is automating financial master data. SAP Build streamlines the entire workflow from entry, validation, review, and approval, before submission to the SAP back-end system."* As shown in **Figure 2 (next page),** the customers interviewed reported a 71% reduction in business process errors with SAP Build, significantly improving the quality and robustness of business processes.

Figure 2

Impact on Business Process Error Rates



n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

Improved quality and seamless business processes contribute to substantial efficiencies for teams responsible for process execution. On average, study participants reported that these teams are 32% more efficient **(Table 4, below),** representing a significant shift in focus and time invested in managing and executing business processes to other, more valuable activities.

Table 4

Business Process Team Efficiencies

Average per Organization	Before/ Without SAP Build	With SAP Build	Difference	Benefit
Equivalent staff required, FTEs per organization	1,857	1,262	595	**32%**
Equivalent salary, staff time per organization per year	$129.96M	$88.30M	$41.66M	**32%**

n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

Business and Operational Benefits

SAP Build has helped study participants achieve improved business outcomes and operational efficiencies by accelerating process execution, increasing productivity, and enabling faster capture of revenue opportunities within their SAP Cloud ERP environments. They reported that automating workflows and delivering extensions more quickly has reduced delays in areas such as customer onboarding, order processing, financial closings, and pricing decisions, directly supporting revenue growth and faster time to realization. At the same time, SAP Build–driven automation and higher data quality free up time across IT and business teams, with users completing routine tasks faster and with fewer errors. These productivity gains allow organizations to redeploy resources toward higher-value activities, such as customer engagement, analysis, and innovation.

Combined, these benefits result in measurable efficiency improvements and stronger overall business performance.

Enhanced functionality of customer-facing chatbot:

"The way we integrate our chatbot feature has improved with SAP Build, with AI making recommendations to our members and making the chatbot smarter. The logic has been improved compared to before."

Automated approvals that reduce business friction:

"We use SAP Build process automation to deploy transports into production and for journal entries, where approval is built into the submission process. Another key area is automating financial master data. SAP Build streamlines the entire workflow from entry, validation, review, and approval, before submission to the SAP back-end system."

Automated creation of customer and supplier profiles in ERP:

"With SAP Build, we've automated the creation of customers and suppliers in our ERP system using process automation. Creating a customer used to take up to 15 days, but now it has been reduced to about two or three days."

As shown in **Table 5 (next page),** study participants linked significant revenue gains to their use of SAP Build for their SAP Cloud ERP environments. On average, they reported gaining $131.31 million in additional revenue per organization, as they better meet customer demand, deliver higher quality products and services, and get to market faster with SAP Build.

Table 5

Business Gains: Higher Revenue

Revenue Gains	Per Organization	Per 1,000 Employees
Higher revenue per year	$131.31M	$1.20M
Margin assumption	15%	15%
Higher net revenue per year	$19.70M	$179,500

n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

In addition to revenue gains, interviewed organizations also linked their use of SAP Build for their SAP Cloud ERP environments to line-of-business user productivity gains. One interviewed organization commented on how SAP Build has helped various employees focus more on their core roles and responsibilities: *"We've achieved a 20% productivity increase across many areas of the company through automation powered by SAP Build … One department implemented it first, using the AI-powered claims capability for pricing, and I'd estimate that 20%–30% of their time has been saved by reducing administrative tasks."* As shown in **Table 6 (below),** interviewed organizations reported average productivity gains of 3.2% for significant shares of their employees, reflecting how SAP Build has enabled various employees to work more effectively through the delivery of additional functionality and reduced friction on day-to-day work operations.

Table 6

End-User Productivity Gains

Productivity Gains per Organization	Before/Without SAP Build	With SAP Build	Difference	Benefit
Equivalent productivity, FTEs per organization	12,438	12,839	401	3.2%
Value of equivalent productivity per organization per year	$870.65M	$898.75M	$28.09M	3.2%
Value of net equivalent productivity per organization per year	$870.65M	$874.87M	$4.21M	0.5%

n = 9; Source: IDC Business Value In-Depth Interviews, December 2025

Modernization Benefits and Improved Use of New Technologies

Study participants reported that SAP Build has helped them advance application, IT, and business modernization by providing a cloud-based extensibility and automation layer that modernizes SAP Cloud ERP without disrupting the core system. Interviewed organizations described moving legacy customizations, integrations, and manual processes out of the ERP core and into SAP Build, enabling cleaner architectures, simpler upgrades, and reduced technical debt. From an IT perspective, this shift replaces fragmented tools and custom code with standardized workflows, APIs, and managed services, while from a business perspective, it enables faster cycle times, improved process consistency, and real-time visibility into operations. Collectively, these capabilities allow organizations to modernize incrementally and continuously rather than through disruptive, large-scale transformation efforts.

Examples of modernization achieved with SAP Build for SAP Cloud ERP environments that study participants cited in support of their broader transformation efforts include:

Application modernization:

- Moving customizations off core ERP → clean core
- Replacing legacy development and integration approaches
- Enabling rapid extension of capabilities to core SAP systems

IT modernization:

- Reducing reliance on legacy tools
- Modernizing integration through APIs and cloud services
- Enabling a microservices-based approach

Business modernization:

- Faster cycle times
- Higher quality and fewer errors related to business processes
- Real-time data and improved intelligence for business decisions
- Higher productivity at the enterprise level

In parallel, study participants reported that SAP Build is increasingly serving as a foundation for their expanded use of AI, including early-stage agentic AI scenarios. They described using SAP Build to orchestrate AI-driven insights, including document extraction, recommendations, sentiment analysis, and pricing or credit decisions, and connecting those outputs directly to SAP Cloud ERP actions through automated workflows. Rather than treating AI as a standalone capability, SAP Build serves as an execution layer that embeds AI into end-to-end business processes, enabling faster decision-making and reduced manual effort. Several participants also noted that this approach positions them to evolve toward agentic AI, where AI agents initiate, validate, and complete tasks within governed workflows, laying the groundwork for more autonomous, scalable business operations over time.

Challenges/Opportunities

Challenges

Maintaining a Clean Core While Extending ERP Capabilities

Organizations struggle to modernize their SAP Cloud ERP systems without embedding modifications directly into the core, which creates technical debt and complicates future upgrades. Traditional customization approaches create barriers to continuous modernization and prevent organizations from accessing new capabilities efficiently.

Scaling AI from Pilots to Production Within Governed Environments

Many enterprises struggle to scale AI-driven modernization from pilot projects to production systems because bolt-on AI implementations create governance gaps that prevent operationalization at enterprise scale. Without unified governance across AI tools, development artifacts, and deployment pipelines, organizations accumulate disconnected proofs of concept that cannot meet the security, compliance, and life-cycle management requirements of mission-critical ERP environments.

Keeping Pace with Rapid AI Innovation While Maintaining Stability

The rapid pace of AI innovation creates a structural challenge for organizations that want to start modernization initiatives but struggle to choose which AI capabilities to adopt when new models, frameworks, and tools emerge continuously. Organizations risk delaying modernization while waiting for the AI landscape to stabilize or making premature commitments to specific AI technologies that may become outdated before modernization efforts are complete.

Opportunities

Leveraging Clean-Core Extensibility to Enable Agile Innovation

Organizations can adopt clean-core extensibility approaches that move extensions and automation outside the ERP core, which creates a more stable baseline for continuous innovation and faster adoption of new capabilities. This architecture reduces technical debt, simplifies upgrades, and allows organizations to deliver business differentiation without disrupting mission-critical operations.

Conclusion

Organizations adopting SAP Build for their SAP Cloud ERP environments demonstrate that an AI-powered, unified, and governed extensibility and automation layer is central to enabling continuous modernization at an enterprise scale. By moving customizations, integrations, and manual workflows off the ERP core, SAP Build helps customers preserve a clean-core architecture while still delivering differentiated capabilities that respond quickly to evolving business needs. The platform's combination of templates, integrated workflows, life-cycle management, and openness to SAP-native and third-party systems enables faster delivery cycles, reduced technical debt, and improved end-to-end process quality. Interviewed organizations also noted that SAP Build supports ongoing innovation by providing a stable foundation for incorporating emerging technologies, such as agentic AI and advanced automation use cases, within consistent governance and security frameworks.

These advances translate into measurable business value across development, process execution, and financial performance. Study participants reported significantly faster extension delivery, higher development team productivity, fewer process errors, and greater operational efficiency for business process teams. At the same time, organizations benefited from stronger revenue realization through faster onboarding, improved data accuracy, and the ability to bring new capabilities to market more rapidly. As customers increasingly seek modernization approaches that balance innovation with operational stability, SAP Build offers a scalable path forward: a single, SAP-managed platform that unifies extensibility, automation, and AI-driven capabilities while enabling organizations to maintain agility and confidently evolve their ERP landscapes.

Appendix: Methodology

IDC utilized its standard Business Value methodology for this project. This methodology is based on gathering data from organizations using SAP Build for their SAP Cloud ERP environments as the foundation for the model. IDC collected quantitative benefit information during the interviews using a before-and-after assessment of the impact of using SAP Build. For this study, IDC interviewed nine organizations that are using SAP Build.

IDC bases its financial calculations on a number of assumptions: Time values multiplied by burdened salary (salary + 28% for benefits and overhead) quantify efficiency and manager productivity savings. For this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).

Note: All numbers in this document may not be exact due to rounding.

About the IDC Analysts

Arnal Dayaratna

Research Vice President, Software Development, IDC

Dr. Arnal Dayaratna is research vice president of Software Development at IDC. Dayaratna focuses on software developer demographics, trends in programming languages and other application development tools, and the intersection of these development environments and the many emerging technologies that are enabling and driving digital transformation. Dayaratna's research examines how the changing nature of software development relates to broader trends in the technology landscape.

More about Arnal Dayaratna →

Matthew Marden

Research Vice President, Business Value Strategy Practice, IDC

Matthew Marden is responsible for carrying out custom business value research engagements and consulting projects for clients in several technology areas, focusing on determining the return on investment of their use of enterprise technologies. Marden's research often analyzes how organizations are leveraging investment in digital technology solutions and initiatives to create value through efficiencies and business enablement.

More about Matthew Marden →

Message from the Sponsor

SAP is a global leader in enterprise application software, helping companies of all sizes and industries run more efficiently. For over 50 years, organizations have trusted SAP to bring out their best by uniting business-critical operations spanning finance, procurement, HR, supply chain, and customer experience.

Thousands of customers, including 98 of the 100 largest companies in the world are SAP running solutions spanning 26 industries. Many of these customers leverage the SAP Business Technology Platform to optimize their business applications for competitive advantage. SAP BTP integrates and connects all SAP Business Applications — connecting digital activities and providing a unified technology platform to integrate, extend, and automate applications across the enterprise.

SAP Build helps teams create and extend AI agents and business applications in their preferred tools. Governance, roles, and clean-core alignment are built in from the start and grounded in business context and processes.

To learn more, visit www.sap.com/build.

IDC Custom Solutions

IDC Custom Solutions produced this publication. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis that IDC independently conducted and published, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies.

This IDC material is licensed for external use and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.

idc.com @idc @idc

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight help IT professionals, business executives, and the investment community make fact-based technology decisions and achieve their key business objectives.