SAPinsider

BENCHMARK REPORT

RISE with SAP
Engagement

Robert Holland
November 2022

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Executive Summary

RISE with SAP is the cornerstone of SAP's cloud ERP strategy. Released in January 2021, the offering has evolved from a licensing bundle built around SAP S/4HANA Cloud to a solution focused on driving business innovation and the tools to achieve it. While the overall makeup of the solution has not changed significantly in the last year, there is now greater emphasis on supporting new business models, improving process efficiency, and modernizing critical systems without disruption.

To learn more about what SAPinsiders are thinking about RISE with SAP, SAPinsider surveyed 282 members of its community between August and November 2022. The first question sought to understand respondents' familiarity with RISE with SAP, a topic that has seen significant discussion this year. In a result similar to other research, the largest respondent group was only somewhat familiar with the solution (**Figure 1**).

Figure 1: How familiar is your organization with RISE with SAP?
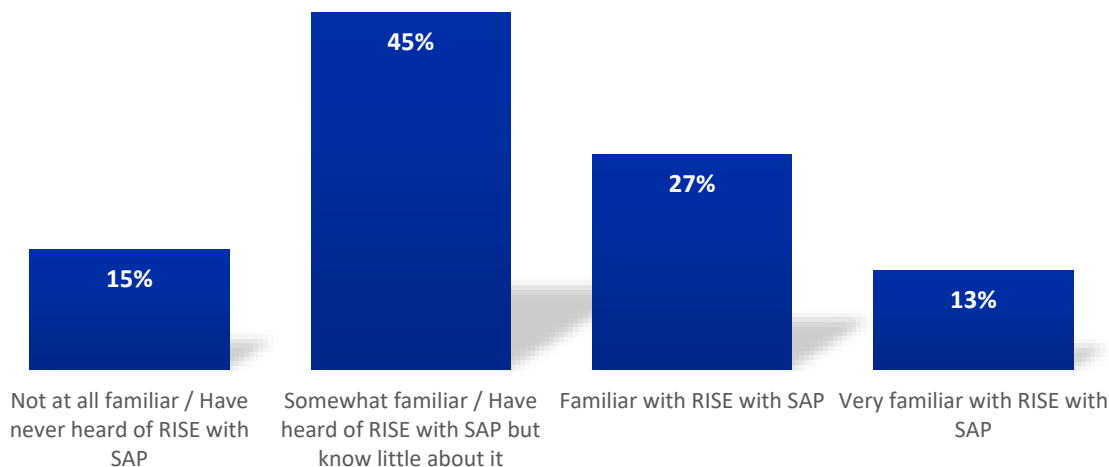
Source: SAPinsider, November 2022

The fact that 45% of respondents indicated that they are only somewhat familiar with RISE with SAP suggests that, while organizations are hearing about the solution through SAP marketing and their conversations with their account executives, many still only have a basic understanding of the solution. While some of this lack of familiarity may stem from a focus on day-to-day activities, part of the issue rests with SAP's messaging, which is focused more on the big picture than the specific benefits that RISE with SAP brings.

When asked about the different components of the solution, respondents who previously answered that they were at least somewhat familiar with RISE with SAP reported most familiarity with SAP S/4HANA Cloud. Seven in ten (71%) respondents reported having an

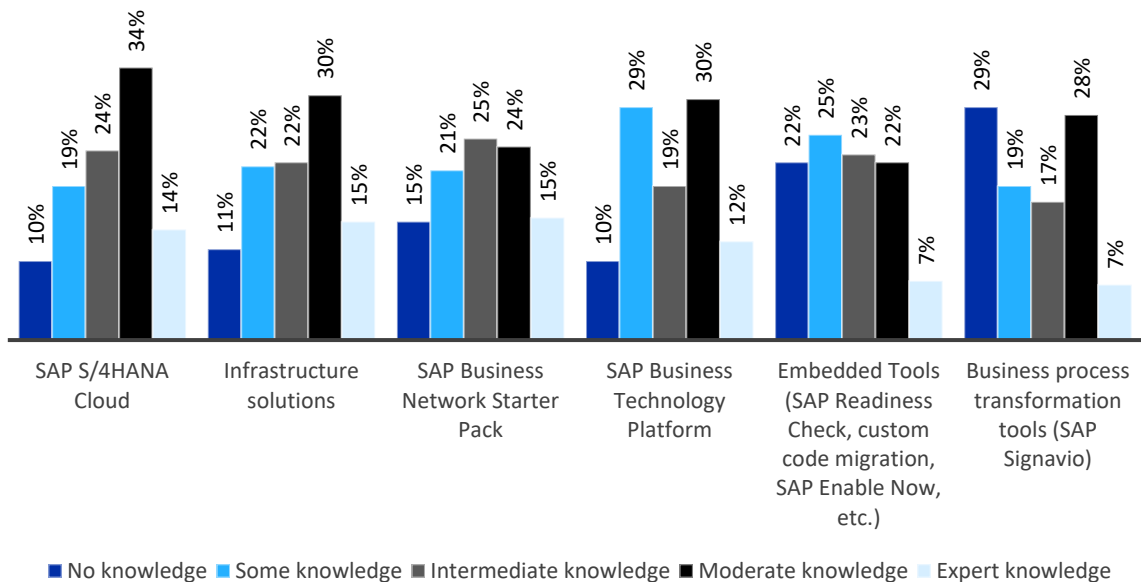intermediate level of knowledge of S/4HANA Cloud (**Figure 2**), similar to the findings of our [2021 research](link). The other components that respondents showed most familiarity with were infrastructure solutions (67%), SAP Business Network starter pack (64%), and SAP Business Technology Platform (61%), with two in three respondents indicating that they had an intermediate knowledge of the solutions. The findings indicated an increased level of knowledge about the components when compared to the 2021 report.

Figure 2: How much do you know about the components of RISE with SAP?

■ No knowledge ■ Some knowledge ■ Intermediate knowledge ■ Moderate knowledge ■ Expert knowledge

Source: SAPinsider, November 2022

The level of knowledge about the embedded tools that are a part of RISE with SAP has remained largely consistent since last year. Last year, 54% of respondents indicated that they had an intermediate level of understanding of these tools, while this year, the number remained more or less consistent at 52%. Given that organizations migrating to SAP S/4HANA are using these tools, the number also suggests that a significant proportion of respondents to this year's survey have still not started that move, otherwise the proportion with a more complete knowledge would be higher.

Where SAP needs to continue to its focus on building knowledge within its user community is about business transformation tools from SAP Signavio for its user community. As the key messaging around RISE with SAP is about modernizing business models and updating processes to remain competitive in today's marketplace, educating the SAP community about tools like Signavio Process Manager, Signavio Collaboration Hub, and SAP Process Insights are key in positioning SAP's innovation and transformation message.

Looking at what is drawing organizations to RISE with SAP, we can see that cost remains the most interesting point for organizations this year at 53%, which increased by 7% since 2021 (**Figure 3**). While factors such as SAP S/4HANA Cloud and having a single contract gained importance since last year, converting existing licenses to cloud credits remained consistent in relevance. Industry-specific functionality, choice of implementation partner, and easier access to deployment partners were rated less important by respondents this year. Choices added this year of a platform for innovation and process transformation using SAP Signavio demonstrated that these components are already gaining the interest of respondents.

Figure 3: What about RISE with SAP is most interesting to your organization?
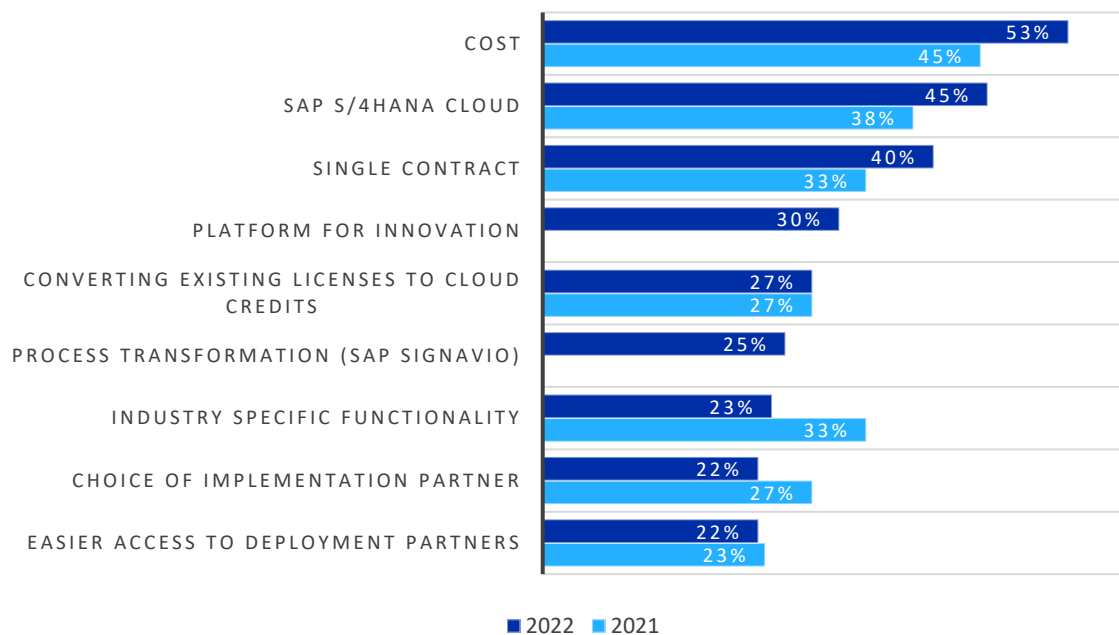
Source: SAPinsider, November 2022

This year's survey also revealed other trends, including the following:

- While cost was the most interesting point for respondent organizations, it was also a significant area of concern, with 48% of respondents stating that cost/Total Cost of Ownership (TCO) was their biggest concern related to RISE with SAP. Other areas of concern were security (38%) and connectivity to other cloud solutions (36%).

- Respondents remained split on the impact RISE with SAP would have on their choices for other enterprise solutions. In 2021, 37% reported that it would impact their choices, 30% felt there would be no impact, and 33% were unsure. This year, only 29% stated that it would limit their choices for other enterprise solutions while 25% did not believe this to be the case. However, those who were unsure about the impact of RISE with SAP on their choices for other enterprise solutions grew to 46%.

Required Actions

Based on the survey responses, organizations should take the following actions in relation to RISE with SAP:

- **Thoroughly evaluate the cost of moving to RISE with SAP.** Cost is both the most interesting aspect of RISE with SAP and the biggest area of concern for respondents. Some respondent organizations that SAPinsider spoke to were determined that they could save money by moving to RISE with SAP over an Infrastructure-as-a-Service implementation of SAP S/4HANA in the cloud. Others stated that moving to RISE with SAP would be significantly more expensive. If you are considering a move to RISE with SAP, dedicate time to understanding the initial cost and TCO over the next several years.

- **Dedicate time to educating your teams and learning about RISE with SAP.** Despite it being released in January 2021, 15% of the respondents stated that they were not at all familiar with RISE with SAP, and 45% stated that they were only somewhat familiar. As the focus of SAP's plans for cloud ERP, it is critical that organizations have the knowledge they need to make a comprehensively informed decision. Understanding all the components, particularly how RISE with SAP will integrate and connect with the existing enterprise landscape, is essential to future ERP plans.

- **Understand how SAP intends to support RISE with SAP in mixed vendor landscapes.** Few organizations today are running only SAP solutions in their enterprise landscape. While SAP ERP solutions often represent the core of the business, SAPinsider research has shown that nine in ten organizations are performing non-SAP to SAP integration in their landscapes. Nearly half of the respondents to this year's survey reported that they were unsure of how the move to RISE with SAP would impact their choices around other enterprise solutions. Any organization on the road to SAP S/4HANA must work with SAP to understand how RISE with SAP will fit into its environment. Doing this is crucial for building a successful enterprise landscape and an intelligent enterprise.

Chapter One: ERP and Innovation Overview

SAP has positioned RISE with SAP as a solution for driving business innovation. It offers SAP S/4HANA Cloud as the foundation for the intelligent enterprise and provides organizations with the capabilities to update their existing business processes or introduce new business processes. With many organizations running ERP systems that may have been implemented over a decade ago, their systems are likely struggling to support how their business operates today. The first step in innovation is updating and transforming processes to match the way businesses operate today, and SAP is positioning SAP Signavio and the Signavio tools with RISE with SAP as the means to achieve this goal.

Best Practices Model – DART

SAPinsider grounds all its research insights in its proprietary DART model. This research model provides practical insights that connect business **D**rivers and **A**ctions to supporting **R**equirements and **T**echnologies. Drivers represent the internal and external pressures that shape the organizational direction. Organizations take **A**ctions to address those **D**rivers. They need people, processes, and capabilities as **R**equirements for those strategies to succeed. Finally, they need enabling **T**echnologies to fulfill their Requirements.

In this report, the top drivers for strategy around ERP and innovation were a need to update and improve existing business processes and create new operational efficiencies, the need to modernize mission critical systems without disruption or creating business risk, and business demanding updated systems and processes that better fit current needs and regulatory requirements. To satisfy these drivers, respondents indicated that they are architecting a unified IT landscape to provide better movement and integration of data, implementing transformed and standardized end-to-end processes for core ERP users, and redesigning IT platforms and architectures to lower costs and increase flexibility.

To support their ERP and innovation strategies, survey respondents reported requirements they needed, including comprehensive monitoring to ensure system health and security, business process models that meet regulatory requirements for data management, the ability to have insight into process performance, and a partner with experience migrating and managing transactional and historical data. Respondents also reported using or planning to use a wide range of tools and technologies to support these requirements.

Respondents' answers to our survey and interview questions revealed clear trends that are summarized in **Table 1** and will be examined throughout this report.

INSIDER PERSPECTIVE

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We are in the process of updating our existing environment to meet our current needs. We just deployed SAP BW/4HANA and have other new development and setup happening. Our upgrade path to is to SAP S/4HANA for fashion and vertical business which is a version of SAP S/4HANA which is specific for the fashion industry. We need to understand whether RISE with SAP supports industry-specific deployments like this before we could consider using it. We would also need confidence and consistency in the knowledge of the consultants we would depend on for the implementation.

"

~ Manager – Business Applications Clothing Manufacturer

Table 1: DART model framework for enterprise cloud deployment

Drivers	Actions	Requirements	Technologies
• Need to update and improve existing business processes and create new operational efficiencies (37%) • Need to modernize mission critical systems without disruption or creating business risk (33%) • Business demands updated systems and processes that better fit current needs and regulatory requirements (32%)	• Architecting a unified IT landscape to provide better movement and integration of data (52%) • Implementing transformed and standardized end-to-end processes for core ERP users (47%) • Redesigning IT platform and architectures to lower costs and increase flexibility (42%)	• Comprehensive monitoring to ensure system health and security (73%) • Business process models that meet regulatory requirements for data management (72%) • Ability to have insight into process performance (72%) • A partner with experience migrating and managing transactional and historical data (72%)	• High Availability and Disaster Recovery (42%) • Managed infrastructure on-premise (33%) • Cloud-based platforms and infrastructure (25%) • Software-as-a-Service deployments (22%) • Cloud-based ERP (17%) • Custom code lifecycle management (15%) • Data cleansing tools (15%) • SAP managed and tuned infrastructure (14%) • Business process transformation tools (12%) • Infrastructure automation (6%)

What Drives ERP and Innovation?

In our October 2022 benchmark report [RISE with SAP – Innovation and Hyperscalers](#), we discussed how RISE with SAP and innovation come together. However, the current survey saw a slightly different emphasis from respondents. Although the factors impacting respondent organizations' decisions around the topic remain unchanged **(Figure 4)**, the most important factor behind ERP and innovation strategies for respondent organizations in the latest survey was the need to update and improve existing business processes and create new operational efficiencies.

Figure 4: Top drivers for ERP and innovation

37%	**33%**	**32%**
Need to update and improve existing business processes and create new operational efficiencies	Need to modernize mission critical systems without disruption or creating business risk	Business demands updated systems and processes that better fit current needs and regulatory requirements
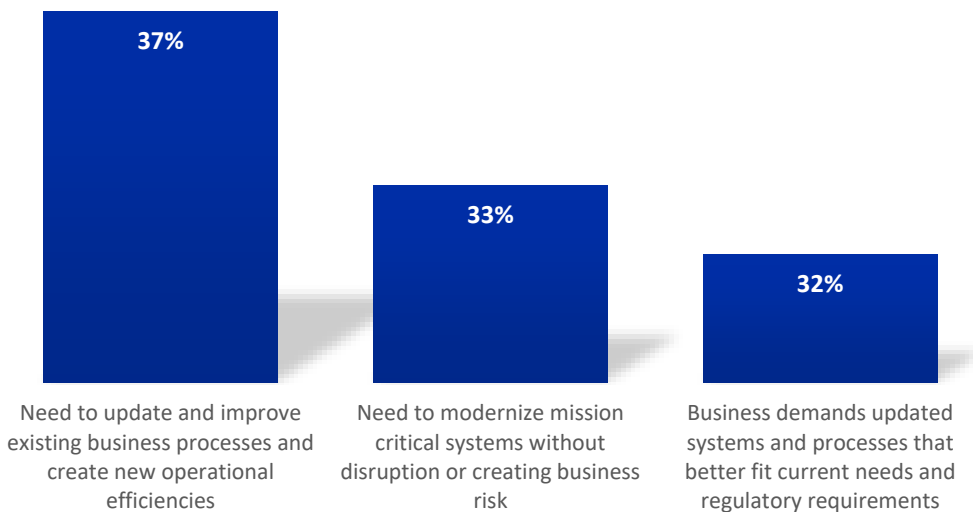
Source: SAPinsider, November 2022

A greater emphasis on updating and improving existing processes suggests that organizations are struggling with systems that were not designed for today's business challenges or have failed to evolve with the changing business needs and expectations. Updating and improving business processes requires an investment on the part of organizations that may be part of a new ERP project. SAP is positioning solutions from SAP Signavio to help organizations achieve this, but more information and knowledge is required about such components of RISE with SAP.

How Do SAPinsiders Address These Drivers?

Organizations are implementing several strategies to address their ERP and innovation drivers. Architecting a unified IT landscape to provide better movement and integration of data (**Figure 5**) is the most important strategy. Being able to better support this data movement and integration is crucial for supporting both the drivers for updating and improving existing business processes and creating new operational efficiencies, as well as that of updated systems and processes that better fit current needs and regulatory requirements. Data is key to innovation, as it provides the necessary insights into the way the organization is operating, and it is the flow of data through business processes that determines the way an organization runs.

Figure 5: Top strategies taken to address the top drivers

52%	47%	42%
Architecting a unified IT landscape to provide better movement and integration of data	Implementing transformed and standardized end-to-end processes for core ERP users	Redesigning IT platform and architectures to lower costs and increase flexibility
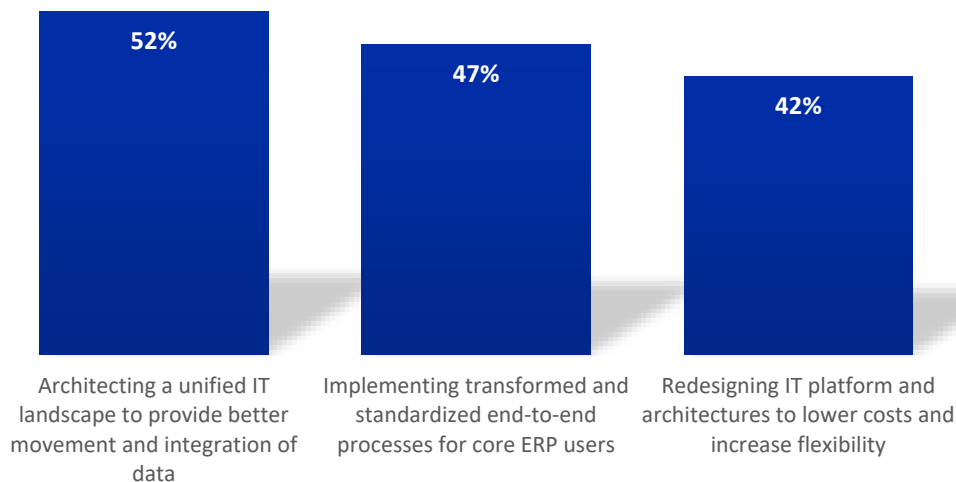
Source: SAPinsider, November 2022

Implementing transformed and standardized end-to-end processes for core ERP users supports the same two driving factors for ERP and innovation. This transformation allows organizations to update and improve their existing business processes while creating new operational efficiencies. Without this process transformation, businesses will not have the updated systems and processes to efficiently manage their operations. Transformed and standardized processes are crucial for modernizing mission-critical systems and are the second major driver for ERP and innovation.

Redesigning IT platforms and architectures to lower costs and increase flexibility is another strategy that organizations are adopting when building a platform for ERP and innovation. As observed in the SAP Infrastructure and Landscape Trends report released in August, reducing costs while increasing flexibility as well as scalability are two of the most important factors driving infrastructure change in the SAP ecosystem today. With respondents selecting this as the third most important strategy supporting ERP and innovation, it shows that these factors are equally important when building a platform for innovation, and that having the best infrastructure is a key component.

Key Takeaways

When it comes to ERP, innovation strategies, and RISE with SAP, the following takeaways are clear:

- **Start evaluating existing business processes today to determine if they will meet future needs and regulatory requirements**. Irrespective of an organization's move to RISE with SAP, every organization with future ERP and innovation plans must understand and evaluate their existing business processes to see whether they are effectively meeting their current needs, and if they are equipped for the future. Determining which processes can be eliminated and/or which must be updated can be a significant effort. Starting this process as soon as possible is key to ensuring a successful ERP move or upgrade.

- **Extend transformation plans beyond infrastructure to include systems and processes.** Most organizations are planning to replace their existing SAP infrastructure over the next few years, many in conjunction with their move to SAP S/4HANA. But infrastructure transformation should not be the extent of the transformation plans. Architecting a unified IT landscape should be part of your strategy, but business process transformation is just as important as infrastructure transformation. Implementing transformed and standardized end-to-end processes is key for nearly half of the survey's respondents; this is also central to implementing future innovations such as automation and machine learning. Ensure that your organizational planning includes both business and infrastructure transformation.

- **Determine how cloud service providers can help provide the platform for innovation plans.** While choosing the right cloud service provider is essential, evaluating the additional services that provider offers that accelerate plans for innovation is equally important. All providers have the capabilities that can enhance or complement plans for driving innovation in an organization. However, because services offered by each provider and the way they integrate with SAP can vary, understanding these differences will be crucial in your final cloud service provider selection.

Chapter Two: How Do SAPinsiders Approach ERP and Innovation?

Innovation is more than just transformation. Transformation is about making changes to how an organization runs. Innovation is an organization's methodology for introducing new ideas, processes, services, or products. Organizations can transform, for example, by updating and replacing infrastructure or even business processes, but innovation is ongoing. There must be a means to continually update and adapt for a business to survive. When a business looks at its ERP system and wants to build a platform for innovation, this is central to its future as an organization.

Top ERP and Innovation Requirements

Given the importance that businesses attach to innovation, the survey reveals that respondent organizations are implementing strategies that enable them to build platforms to support their innovation initiatives. But certain requirements need to be fulfilled to achieve this. As seen in **Figure 6**, nearly three in four state that comprehensive monitoring to ensure system health and security is important or very important to their organization. This is critical for the ongoing stability of an ERP system and its data, and is also a requirement that supports modernizing mission-critical systems without disruption or creating business risk.

Figure 6: Top requirements for ERP and innovation

73%	72%	72%	71%
Comprehensive monitoring to ensure system health and security	Business process models that meet regulatory requirements for data management	Ability to have insight into process performance	A partner with experience migrating and managing transactional and historical data
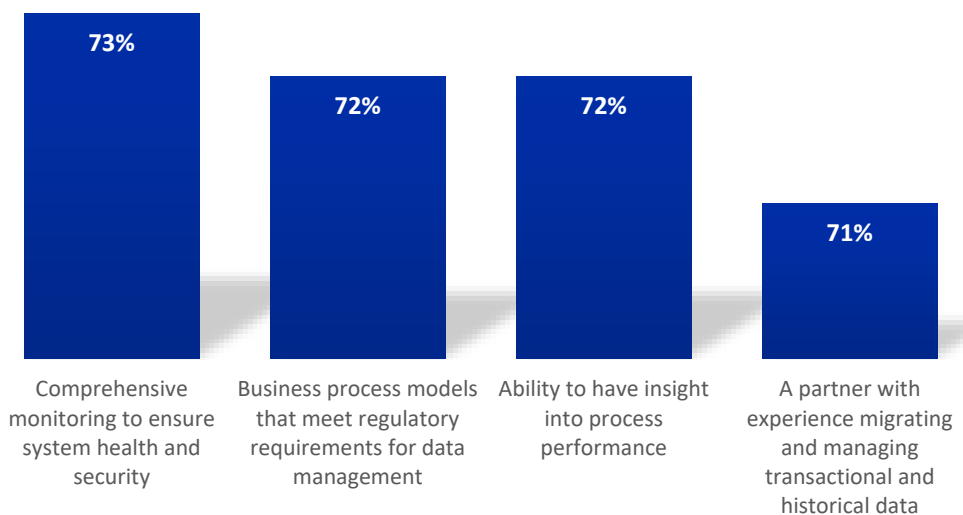
Source: SAPinsider, November 2022

With regulatory requirements frequently changing and new regulations coming into effect every few months, it is crucial and equally challenging for organizations to ensure that their systems meet the changing data management requirements. This requirement for business process models that meet regulatory requirements for data management connects to the driver of the business demanding updated systems and processes that better fit current needs and regulatory requirements. It also supports the strategy of having a unified IT landscape to provide better movement and integration of data. With a landscape that moves and integrates data, it is possible to meet data management requirements and ensure that data is protected.
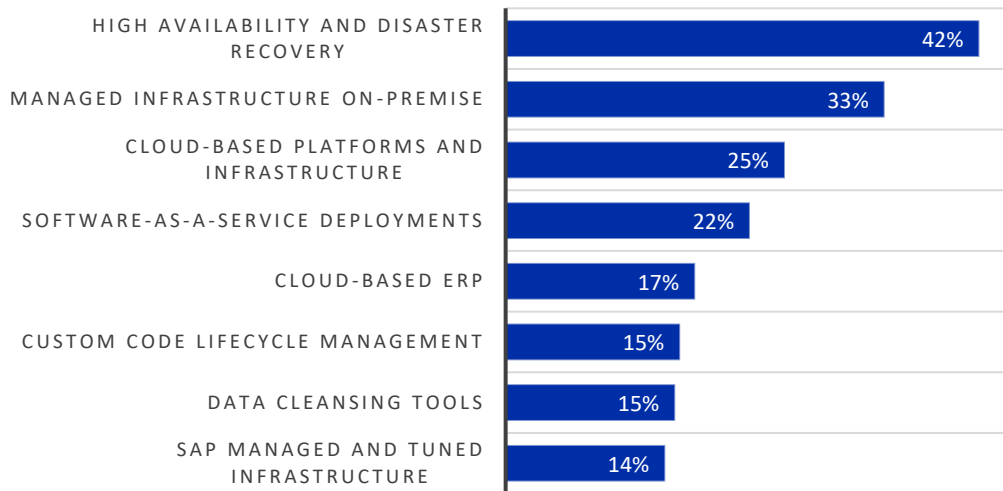
The ability to have insights into process performance is directly connected to why SAP acquired Signavio in 2021, which was to provide ongoing insight into how processes work across an organization. But while many organizations are still evaluating business process intelligence tools, they are critical for providing insights into the way an organization operates. Given the importance of this requirement to respondent organizations, SAP needs to educate organizations about how SAP Signavio tools work and function, as well as the role they can play in delivering such insights.

With many large organizations having extensive historical data in their existing ERP systems, it is no surprise that having a partner with experience migrating and managing data into a new ERP system is the fourth most important requirement for respondents. However, finding a partner with this experience may be difficult because of limited availability of experienced partner resources over the next few years due to an upsurge in organizations moving to SAP S/4HANA. Therefore, organizations should prioritize formalizing their plans to ensure that they can access the resources they require when needed.

Which Technologies Do Respondents Need for ERP and Innovation?

Resilience is one of the most critical things a system needs if an organization is looking to build a platform for innovation on an existing ERP system. So, it is no surprise that the most used technology when it comes to ERP and innovation is High Availability (HA) and Disaster Recovery (DR) (**Figure 7**). Currently used by 42% of respondents, HA and DR help ensure continuity in the event of a failure and are a requirement for any ERP system that must be available 24/7. Other technologies in use today include managed infrastructure on-premise, cloud-based systems, and Software-as-a-Service (SaaS) deployments.
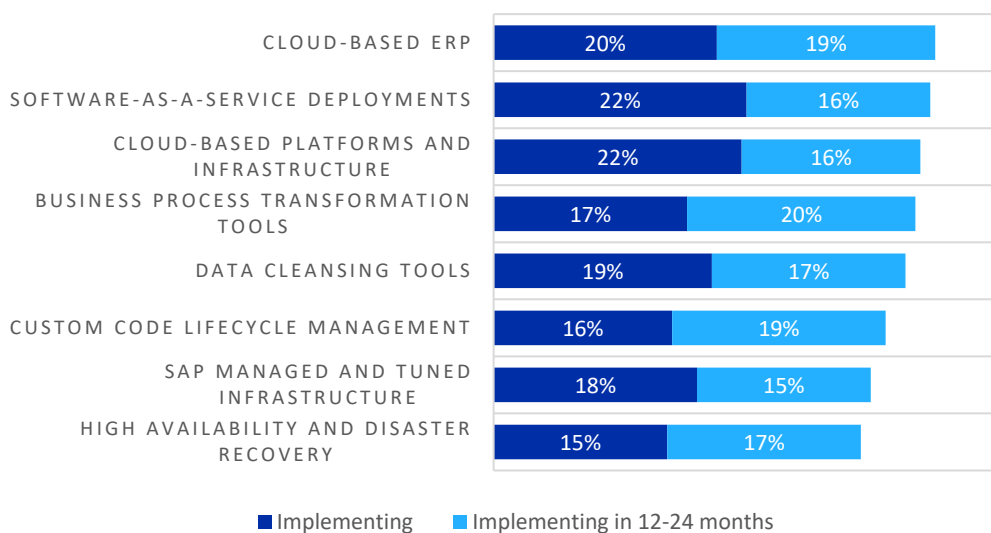
Figure 7: Tools and technologies currently in use in ERP and innovation

HIGH AVAILABILITY AND DISASTER RECOVERY	42%
MANAGED INFRASTRUCTURE ON-PREMISE	33%
CLOUD-BASED PLATFORMS AND INFRASTRUCTURE	25%
SOFTWARE-AS-A-SERVICE DEPLOYMENTS	22%
CLOUD-BASED ERP	17%
CUSTOM CODE LIFECYCLE MANAGEMENT	15%
DATA CLEANSING TOOLS	15%
SAP MANAGED AND TUNED INFRASTRUCTURE	14%

Source: SAPinsider, November 2022

Technologies being implemented show a shift toward ERP systems running in the cloud, with cloud-based ERP at the top, closely followed by SaaS deployments and cloud-based platforms and infrastructure (**Figure 8**). Both of these would be used by organizations implementing SAP S/4HANA Cloud and are central to the RISE with SAP model.

Figure 8: ERP and innovation tools and technologies being implemented

	Implementing	Implementing in 12-24 months
CLOUD-BASED ERP	20%	19%
SOFTWARE-AS-A-SERVICE DEPLOYMENTS	22%	16%
CLOUD-BASED PLATFORMS AND INFRASTRUCTURE	22%	16%
BUSINESS PROCESS TRANSFORMATION TOOLS	17%	20%
DATA CLEANSING TOOLS	19%	17%
CUSTOM CODE LIFECYCLE MANAGEMENT	16%	19%
SAP MANAGED AND TUNED INFRASTRUCTURE	18%	15%
HIGH AVAILABILITY AND DISASTER RECOVERY	15%	17%

■ Implementing ■ Implementing in 12-24 months

Source: SAPinsider, November 2022

Beyond the tools and technologies used to move ERP systems to the cloud, business process transformation tools are the next most likely to be implemented by respondents. Tools like the business process intelligence offered by SAP Signavio solutions allow organizations to analyze, update, and improve the way their existing processes work within their ERP systems and as they flow from one system to the other. Effectively using business process transformation tools is crucial for mapping existing processes and ensuring that a new ERP deployment includes optimized processes that match the current business practices and requirements.

Data cleansing tools are important for any ERP system update. But these are especially relevant for organizations looking to ensure that they have a clean core before they deploy their new ERP systems. Custom code lifecycle management is also extremely important for organizations looking to move to SAP S/4HANA, as their existing systems run on extensive customizations. Having such tools in place not only helps with transition, but they also help with better code management in the future.

Technologies that respondents identified as being evaluated for use in their landscape were data cleansing tools (35%), business process transformation tools (34%), custom code lifecycle management (31%), and SAP-managed and tuned infrastructure (29%). SAP-managed and tuned infrastructure is a part of RISE with SAP as well as the existing SAP HANA Enterprise Cloud (HEC) offering and allows SAP to provide system specifications that are managed by SAP and are precisely tuned to SAP solutions.

Key Takeaways

When it comes to equipping organizations with the capabilities and technologies required for ERP and innovation, consider the following:

- **Deploy solutions that will help better monitor and visualize the performance of your SAP systems and landscape.** An ERP environment consists of not just the ERP system but also all of the interconnected systems in the landscape. While SAP offers some monitoring of systems status through tools like SAP Solution Manager, there is often a visualization gap when getting real-time insights into SAP systems and other integrated systems. While comprehensive monitoring ensures system health and security, the most important requirement for ERP and innovation, it is also extremely important to deploy solutions that help address visualization gaps and provide better monitoring.

- **Evaluate business process intelligence and business process transformation tools that provide insights and process transformation**. Building an ERP system for future success involves ensuring that outdated processes or unused code from existing systems are not transitioned into the new system, as well as putting in place only what matches the current business model or is necessary for meeting regulatory requirements. To ensure this, organizations need to have business process intelligence and business process transformation tools that provide insights into how the processes work, their performance, and how data flows across the organization. Business process intelligence and business process transformation tools are the means to gain this insight, and you should evaluate tools that can help you achieve these goals.

- **Start the process of finding implementation and deployment partners today**. One of the top requirements for organizations considering ERP and innovation is finding a partner with experience migrating and managing historical data. This is critical for organizations moving from existing ERP systems, because most systems contain many years of historical data. While having a partner with this experience is one of the top four requirements for respondents, with a significant number of organizations moving to SAP S/4HANA over the next five years, the availability of partners with experience migrating and managing data may be limited. To ensure that organizations can work with the partner they want in the timeframe they need them, do not delay starting this process.

Chapter Three: Required Actions

Before offering final recommendations, it is essential to understand how organizations plan on extending their innovation platforms once they are created, as well as the true cost of innovation using RISE with SAP.

Extending an Innovation Platform

While SAP is hoping that organizations will move to SAP S/4HANA Cloud as part of RISE with SAP, an additional consideration will be that of the cloud service provider that is used. Cloud service providers play a crucial role beyond just hosting SAP S/4HANA Cloud, as discussed in our benchmark report RISE with SAP – Innovation and Hyperscalers.

Any organization moving to RISE with SAP has the option to choose their service provider. Cloud service providers submit quotes to SAP for the account when they are provided with a bill of materials, and organizations then choose which provider they will use. While cost is the most important factor in the choice organizations make, respondents said that they are considering other factors as well (**Figure 9**).

Figure 9: Factors when selecting a cloud service provider for RISE with SAP
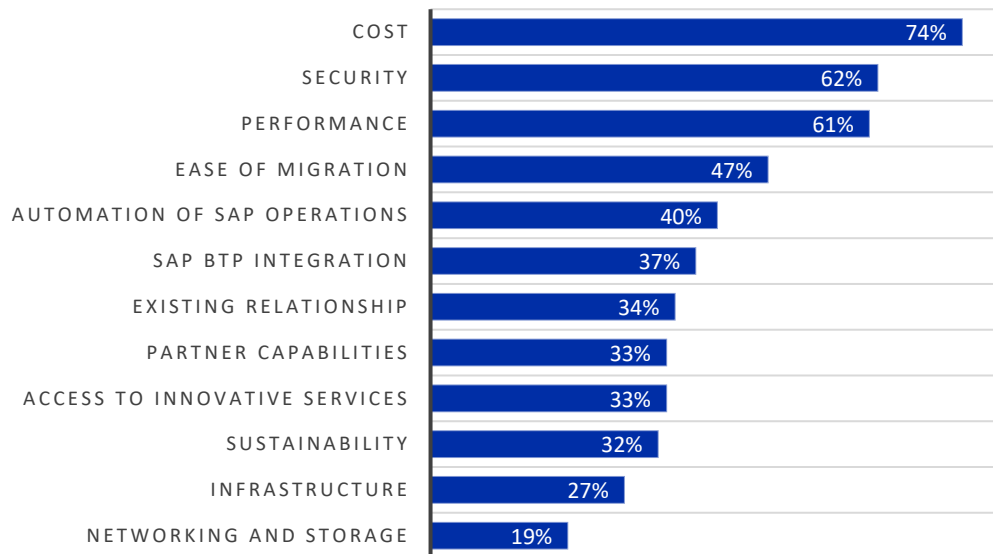
Source: SAPinsider, November 2022

With the increasing frequency of successful cyberattacks, it is no surprise that security is the second most important factor for organizations when selecting a cloud service provider. But organizations also want to ensure that they get the best possible performance. It was somewhat surprising that having an existing

relationship with the provider was seventh on the list of factors suggesting that organizations are willing to broaden their search if that can be beneficial.

While selecting a provider is one of the most critical decisions an organization can make around RISE with SAP, many also seek to leverage additional services from the cloud service providers that they select to extend their platform for innovation. To gain additional insight on this topic, we asked respondents about the additional services they would be likely to leverage if they implemented RISE with SAP. Given the primacy of data in today's organization, it is no surprise that analytics was the top choice (**Figure 10**).

Figure 10: Additional services likely to be leveraged from a cloud provider

Service	Percentage
ANALYTICS	61%
DATA STORAGE	53%
BUSINESS PROCESS AUTOMATION TOOLS	47%
INTEGRATION	46%
LOW CODE APPLICATION DEVELOPMENT	38%
INTERNET OF THINGS	38%
INFRASTRUCTURE	36%
APPLICATIONS	35%
MACHINE LEARNING	32%
DATA LAKES	28%
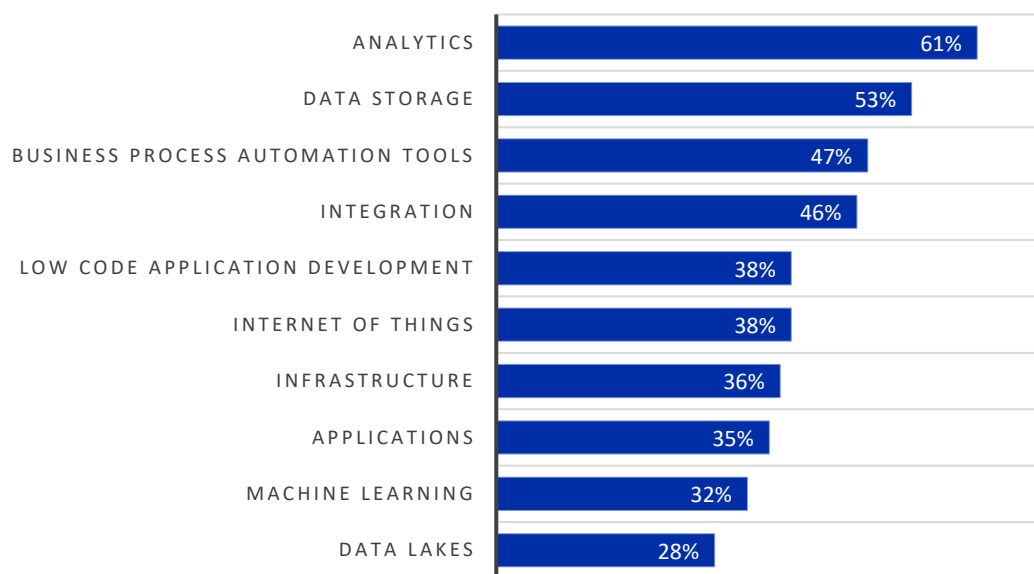
Source: SAPinsider, November 2022

Moving to RISE with SAP S/4HANA Cloud will be the center of an organization's enterprise landscape. ERP systems are connected to multiple systems in the organization, with many being integrated with more than 10 other systems. But an innovative organization will build on RISE with SAP as the central point and use it as the means to accelerate organizational success. The services from its hosting partner will also play a key role in providing that extended platform.

True Cost of Innovation

RISE with SAP is central to SAP's cloud ERP strategy and its overarching goal of becoming a cloud-focused organization. While some 2,500 customers have licensed RISE with SAP since it was released, this is only a small portion

compared to the 55,000-plus enterprise ERP customers that exist in the SAP ecosystem or 20,000 organizations that have already licensed SAP S/4HANA. While SAP is confident that it will achieve its 2025 cloud goals, accelerating the adoption of RISE with SAP is critical to that success.

So far, SAP has repositioned RISE with SAP from a largely contractual offering to a solution that includes dedicated marketing and industry teams. SAP is also encouraging its sales organization to increase the focus on RISE with SAP even if customers are already running SAP S/4HANA. If you are an enterprise ERP customer at SAP and have yet to decide about SAP S/4HANA, you should expect significant pressure over the coming year to implement RISE with SAP.

However, SAP is looking for more than organizations to just adopt RISE with SAP S/4HANA Cloud. RISE with SAP is bigger than the cloud ERP product at its core, and SAP is looking to turn the additional products and services in the RISE solution into revenue. An example of this is the business process transformation tools from SAP Signavio. While RISE with SAP comes with SAP Signavio Process Manager, SAP Signavio Process Insights, and SAP Signavio Collaboration Hub, there are limitations on data load size or the number of user licenses. But RISE with SAP does not include SAP Signavio Process Intelligence, SAP Signavio Journey Modeler, SAP Signavio Process Governance, or SAP Signavio Process Automation. Additional investments will be required for an organization to fully leverage SAP Signavio.

The same is true for the other products and services included in RISE with SAP. SAP BTP consumption credits are included but depending on how SAP BTP is used, these will only go so far. The SAP Business Network Starter Pack only includes some pieces of the full SAP Business Network. Expect that, if organizations plan to use RISE with SAP as a platform for innovation, additional investments will be required.

However, by introducing RISE with SAP, SAP has made it significantly easier for organizations to implement cloud ERP. SAP has also provided products and solutions around that ERP core that can provide a platform for innovation. From a cost perspective, some organizations are seeing the potential for significant cost savings when compared to other SAP S/4HANA deployment methods. And with either a new deployment, system conversion, or selective data transition being possible when using SAP S/4HANA Cloud, private edition, RISE with SAP can support any potential move to SAP S/4HANA.

Steps to Success

Our research reveals that SAP customers should apply the following key steps to ensure that their ERP and innovation initiatives have a foundation for success:

- **Dedicate time to understanding the benefits and features of RISE with SAP and whether it is the right choice.** For customers not currently

running SAP S/4HANA Cloud, there will be a significant push over the coming years to move to RISE with SAP. While many organizations had initial concerns over the potential deployment models, a new implementation initially being the only choice when moving to SAP S/4HANA Cloud, this is no longer the case. And the included products and services offer benefits to organizations that want to leverage them. Understanding RISE with SAP and whether it fits organizational needs is crucial because it not only helps in making an informed decision, but it also helps with conversations with SAP account executives.

- **Prepare your organization so that you can effectively build a platform for future innovation**. One of the benefits of RISE with SAP is that it includes the components to build an innovation platform. SAP S/4HANA Cloud comprises the platform's core, the services from SAP Signavio allow for insight into and transformation of business processes, and SAP BTP extends and enhances. However, whether organizations intend to use RISE with SAP or some other combination of technologies to build their innovation platform, the most important thing is to ensure that the organization is prepared. Whether you are building a platform for sustaining innovation or disruptive innovation, organizations need to understand the problems they are trying to address, engage with business teams to challenge assumptions, look at solutions that help address those challenges, and implement technologies to drive success.

- **Engage and utilize business teams to ensure that what you build for ERP and innovation meets their needs and requirements.** Although many organizations consider the move to SAP S/4HANA or any new ERP system a technical challenge, it should be a business one. As business teams are the primary users of these solutions, they should determine which functionality is used and whether it should be adopted. This is especially true when building an innovative landscape around the ERP system because business teams are central to that process. Engaging teams in innovation and transformation projects earlier in the process and facilitating them dedicating their time to these projects ensures success.

- **Start planning now for future ERP and innovation projects and software deployments.** SAP has set a deadline of December 2027 for the end of mainstream maintenance for core Business Suite systems and applications. While this is still five years away, SAPinsider research respondents have indicated that the average length of an SAP S/4HANA project is around 18 months. This does not include building the business case or planning for the project. While not every project will take this long to complete, and SAP is looking to ensure that a move to RISE with SAP is substantially shorter than other deployments, time is of the essence for an enterprise ERP solution. This is especially true when it may take months before the partner of choice has availability with the resources you need.
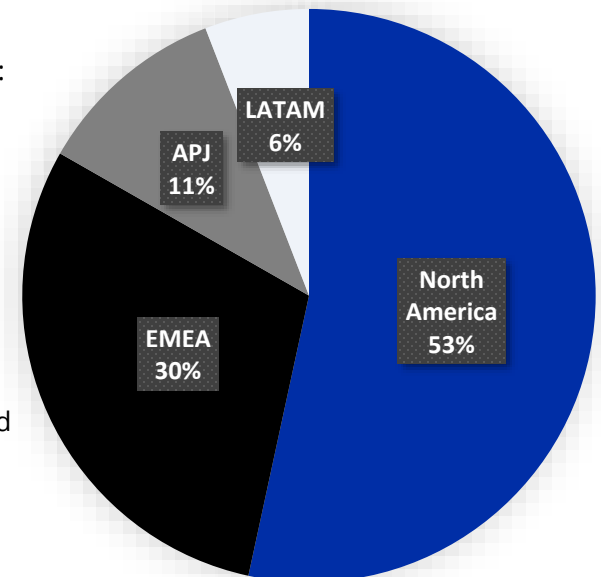
Methodology

Between August and November 2022, SAPinsider investigated the experiences of business and technology professionals regarding their plans for ERP, innovation, and RISE with SAP. The survey was administered to 282 members of the SAPinsider community and generated responses from a wide range of geographies, industries, and company sizes. Respondents completed an online survey and provided feedback in customer interviews that questioned them on:

- How familiar is your organization with RISE with SAP?

- What about RISE with SAP is most interesting to your organization?

- What factors are the most important when choosing a cloud provider for a RISE with SAP implementation?

- What areas of concern do you have regarding RISE with SAP?

- Are you concerned that using RISE with SAP would limit your choices around other enterprise solutions?

Demographic profile of respondents

- **Job function:** Functional areas of respondents included: IT Management (39%), SAP Team (29%), Systems Implementation & Integration (10%), IT Operations (8%), Finance or Accounting (4%), and Business Development & Sales (3%).

- **Market sector:** The survey respondents market sectors included: Industrial (30%), Software & Technology (21%), Retail, Distribution, and CPG (13%), Public Sector (11%), Healthcare & Life Sciences (8%), Financial Services & Insurance (7%), Media & Entertainment (5%), and Hospitality, Transportation, and Travel (4%).

- **Organization size:** Survey respondents organizations' size with the annual revenue of: less than $10 million (5%), between $10 million and $49 million (11%), between $50 million and $499 million (16%), between $500 million and $2 billion (18%), between $2 billion and $10 billion (22%), and greater than $10 billion (18%).

- **Region:** Survey respondents regional demography included: North America (53%), Europe, the Middle East, and Africa (EMEA) (30%), Asia-Pacific, Japan, and Australia (APJ) (11%), and Latin America (LATAM) (6%).

PARTICIPANT PROFILE

LATAM 6%

APJ 11%

North America 53%

EMEA 30%

Appendix A:
The DART^{TM} 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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