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Americas' SAP Users' Group

ASUG's Point of View on
SAP S/4HANA (and Some Insights for You)

Adam Page and Emily Corno, ASUG

ASUG84466

Presenting Today from ASUG's Research Team

Adam Page
Market Research Manager, ASUG

Emily Corno
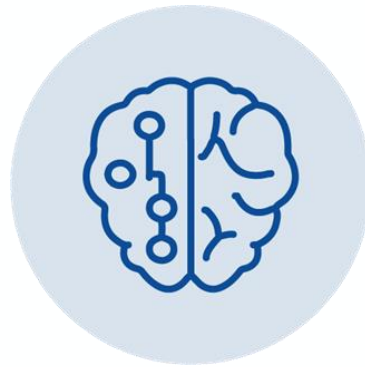**Market Research Associate, ASUG**

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What Is ASUG Research?

ASUG's research team uses traditional methods to capture a unique view of what the largest group of SAP users is thinking, doing, and planning for the future.
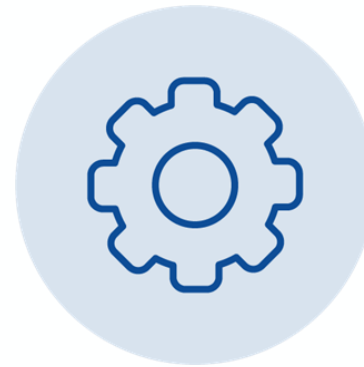
Strategic to Specific Topics
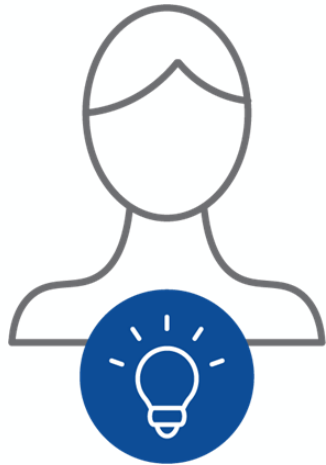
cloud security

emerging technologies

evolving business processes

EIM and SAP S/4HANA

SAP S/4HANA Adoption Approaches

The Early Adopters

The Vanilla Fans

The Advantage Seekers

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ASUG's Point of View on SAP S/4HANA

1 You'll strengthen your own business case by understanding the benefits live SAP S/4HANA customers are achieving.

2 SAP S/4HANA on the cloud may not be ready for some customers to adopt yet because of the product's maturity, their cloud strategy, or both.

3 Don't underestimate the amount of change management needed for a successful launch.

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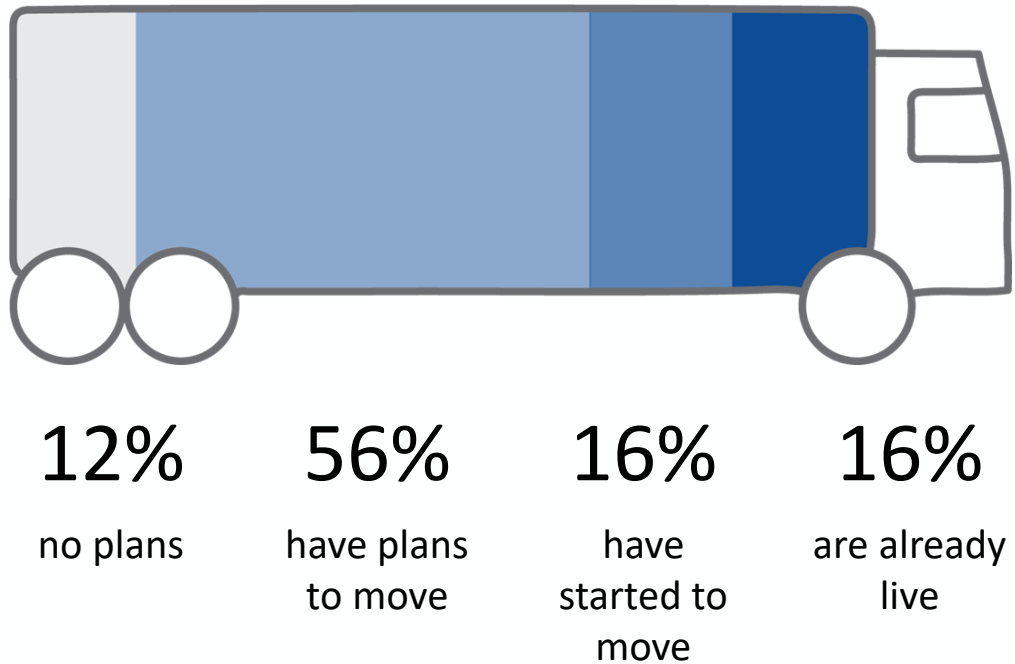
3 Don't underestimate the amount of change management needed for a successful launch.

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SAP S/4HANA: Current Market Situation

12% no plans

56% have plans to move

16% have started to move
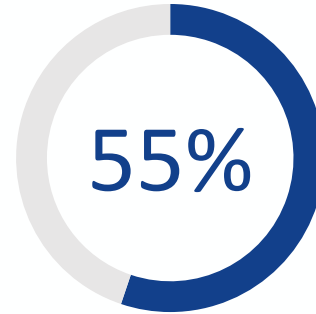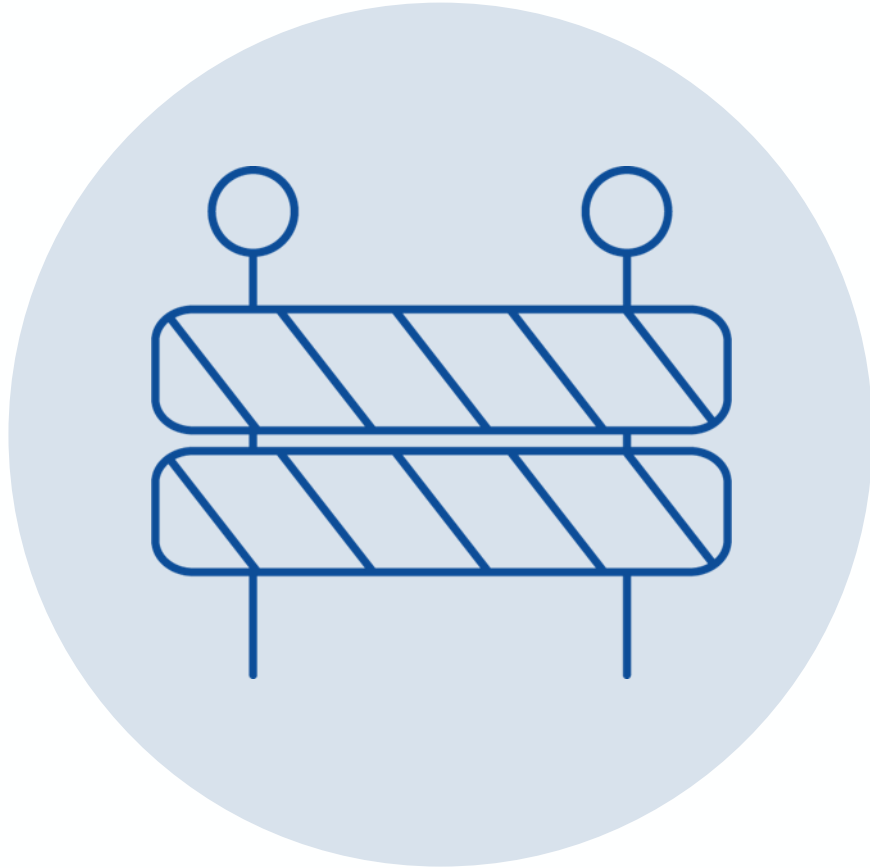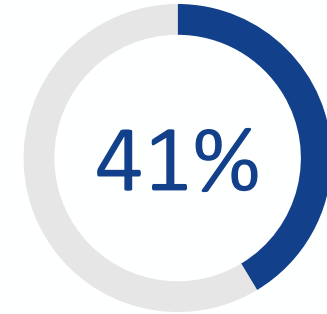
16% are already live

Implementations are picking up steam.
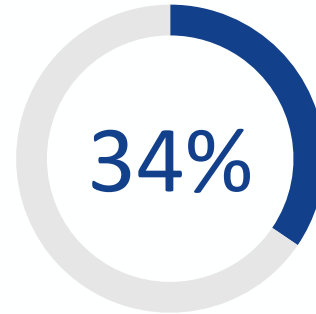
+33% from January 2018 to January 2019

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Barriers to SAP S/4HANA Migration

55%

Need a business case/
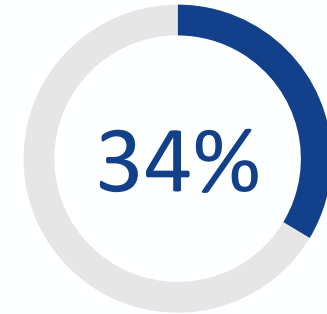business justification

41%

Not a priority for my
company

34%

Product maturity

34%

Cost/lack of financial
resources

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Future Adopters' Expectations Don't Match Reality
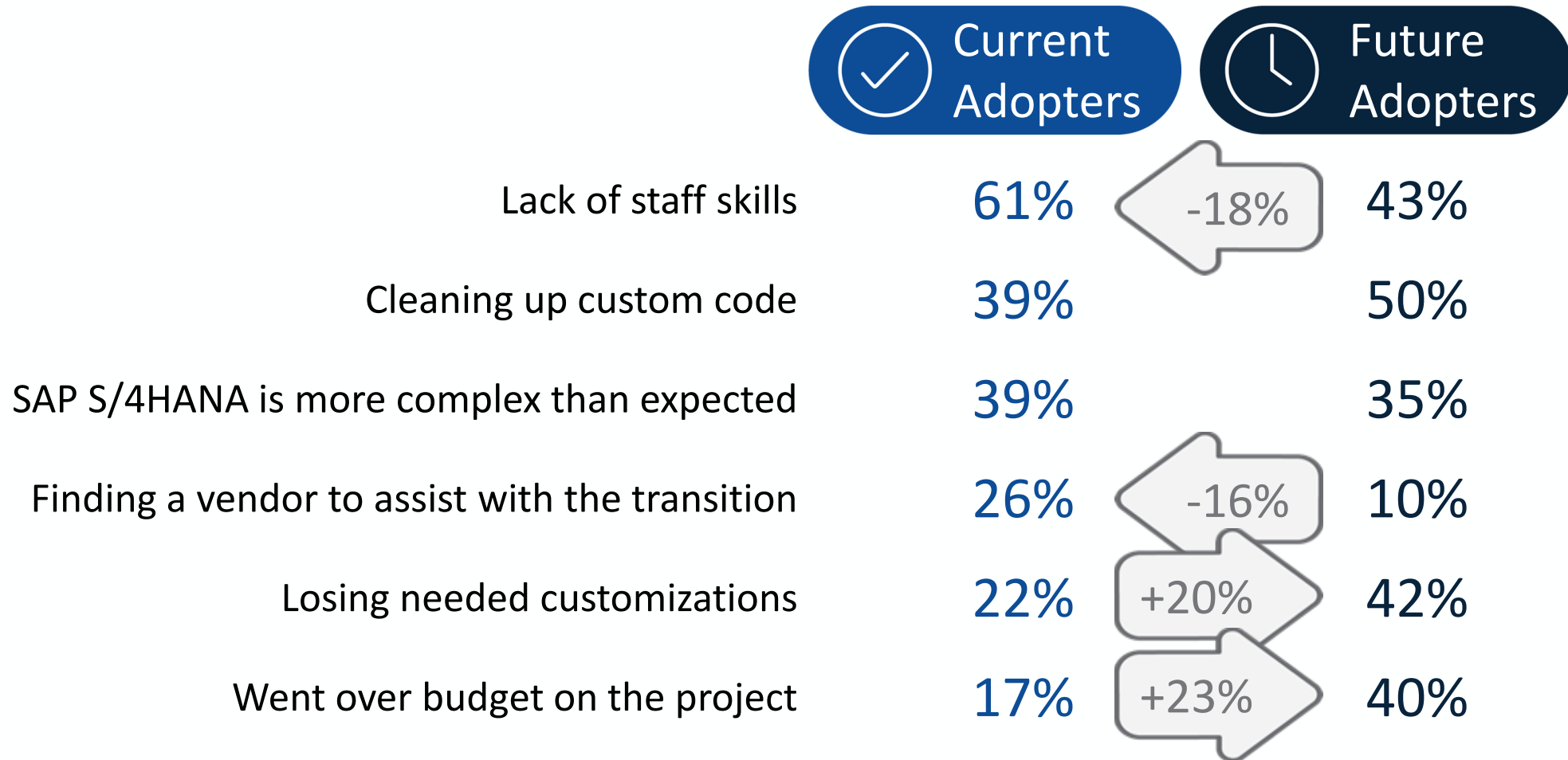
	Current Adopters		Future Adopters
Lack of staff skills	61%	-18%	43%
Cleaning up custom code	39%		50%
SAP S/4HANA is more complex than expected	39%		35%
Finding a vendor to assist with the transition	26%	-16%	10%
Losing needed customizations	22%	+20%	42%
Went over budget on the project	17%	+23%	40%

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SAP S/4HANA Adoption Approaches

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The Vanilla
Fans

The Advantage
Seekers

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Benefits Realized by SAP S/4HANA Adopters
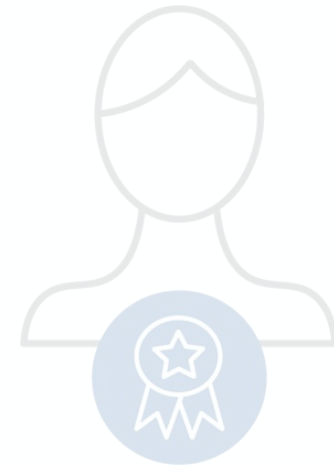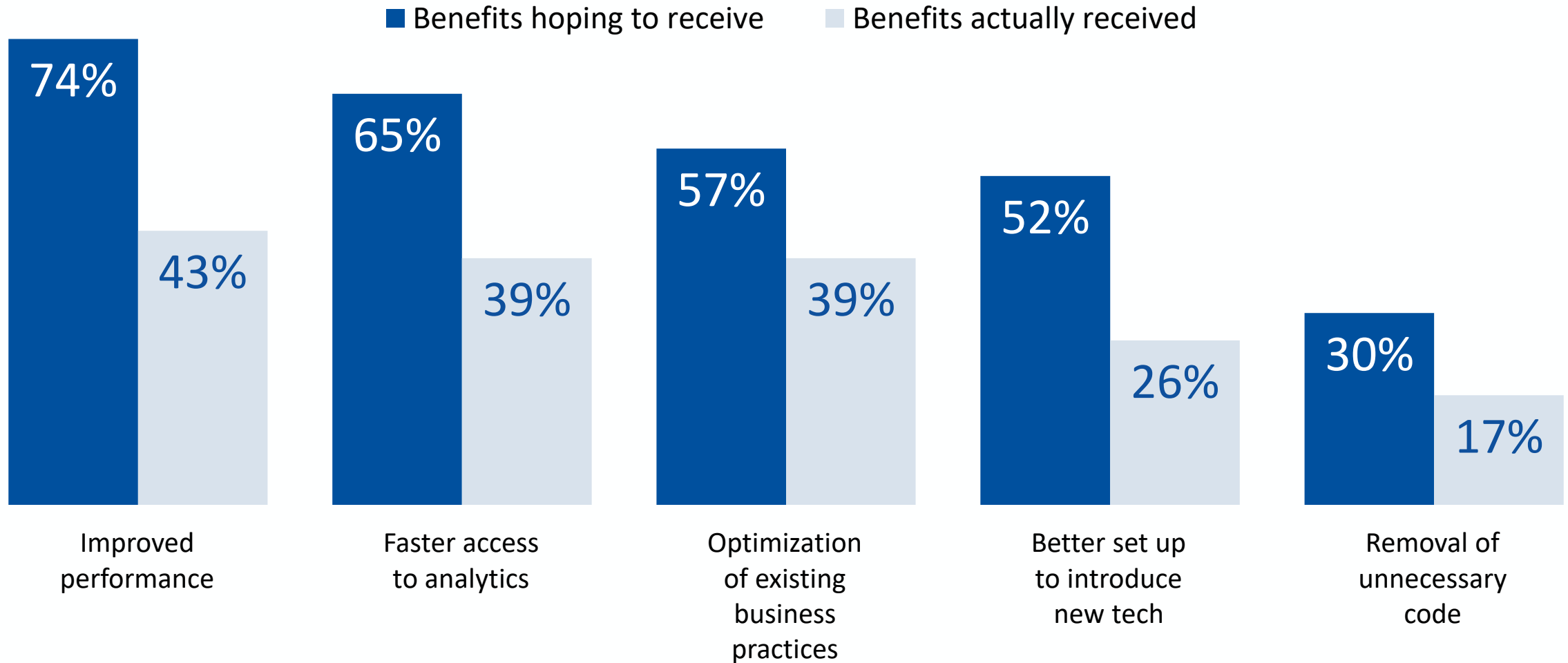
■ Benefits hoping to receive   ■ Benefits actually received

74% / 43% — Improved performance

65% / 39% — Faster access to analytics

57% / 39% — Optimization of existing business practices

52% / 26% — Better set up to introduce new tech

30% / 17% — Removal of unnecessary code

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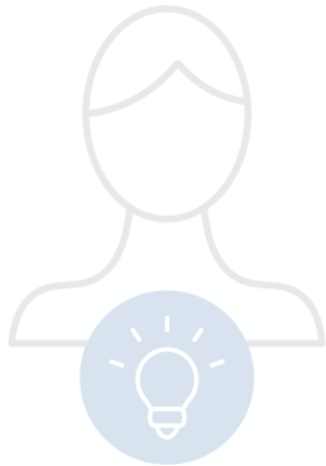
Realized Benefit: Speed

"Before SAP S/4HANA, our accounting was running overnight. I would come back the next day and get my report.

*Now **we're running the same reports in two to three minutes**. It's an incredibly fast environment, with everything in the database and real-time processing. It is not a joke, it's very fast."*

SAP customer, pharmaceutical industry

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Implementation Motivators – Current Adopters

Keeping up with technology

"Stay up to date with technology."

Company growth

"We needed a platform to support company growth."

Timing

"Industry slowdown. Opportunity to have less impact on the business."

Resource availability

"We wanted to get ahead of high demand for talent with SAP HANA specialization."

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Implementation Motivators – Future Adopters

Q: Which, if any, are motivators for you to move to SAP S/4HANA?

Q: Which of these is your BIGGEST motivator to move to SAP S/4HANA?

■ All Motivators ■ Biggest Motivators

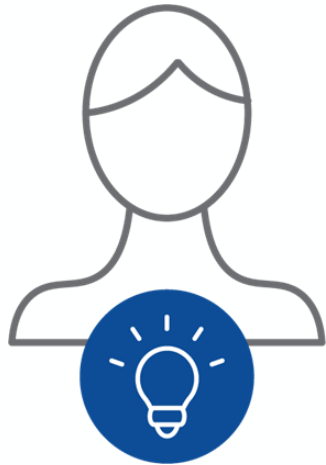| Motivator	Biggest	All
Staying current with the latest technology	25%	63%
Improved performance	11%	59%
Optimization of existing business practices	22%	58%
Faster access to analytics	14%	57%
Better set up to introduce new tech	9%	45%

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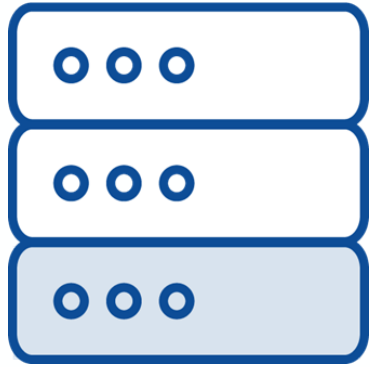
✓ **2** SAP S/4HANA on the cloud may not be ready for some customers to adopt yet because of the product's maturity, their cloud strategy, or both.
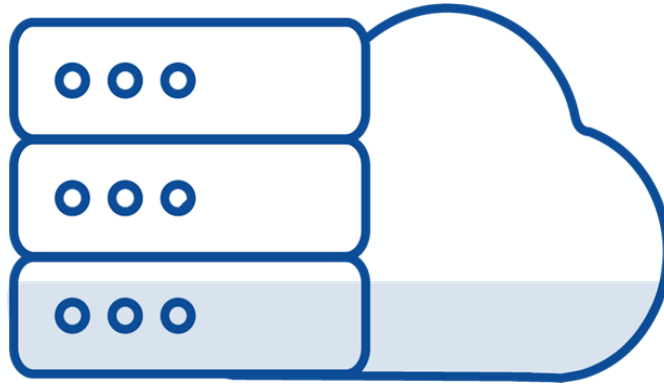
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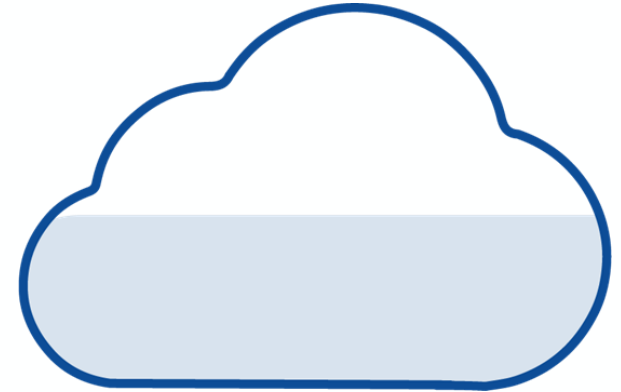
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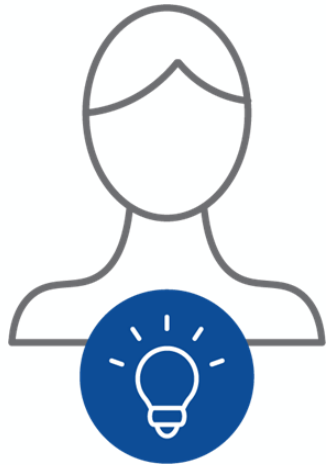# SAP S/4HANA Environments: Current Situation

32%

on-premise

23%

a hybrid of both

44%

on the cloud

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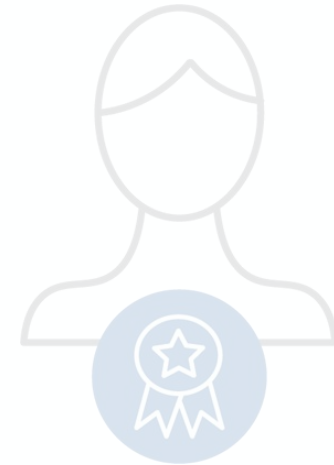
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SAP S/4HANA Cloud Challenge: Product Maturity

34%

said that product maturity is a key barrier to SAP S/4HANA implementation

*"We didn't implement in the cloud, mainly because **SAP S/4HANA was not mature enough** for some of the functionalities we needed at the time we made the decision. All the modules just weren't there yet."*

SAP customer, chemicals industry, Fortune 1000 company

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SAP S/4HANA Cloud Challenge: Business Maturity

Top Reasons for Staying On-Premise

#1   Don't know/not sure

#2   Business is not ready for the cloud

*"From a validation perspective, from a testing perspective, having to be on a **four-times-a-year release of SAP S/4HANA in the cloud would be a challenge** that we're probably not ready to face."*

SAP customer, life sciences industry, Fortune 1000 company

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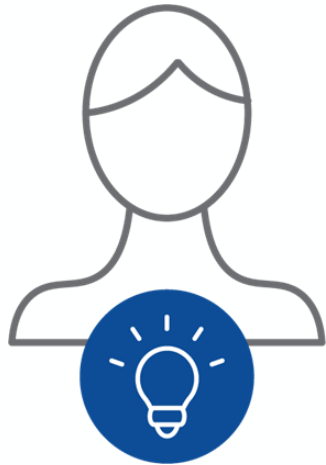
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Tips for Successful Change Management

✓ Be deliberate and thorough in your approach.

✓ Involve and engage the business.

✓ Openly communicate and provide access to proper training.

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*"...really **making sure that everyone is bought in to why we're doing this** is the top thing. The technology piece is relatively easy, but changing the way that you've executed and managed a process over the past 20 years is very difficult."*

SAP customer, oil and gas industry, Fortune 100 company

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Develop Your Cloud Strategy with Insights from ASUG Research
ASUG83501 – Wednesday, 11 a.m.

Discover Insights from SAP Customers in ASUG's State of the Community Study
ASUG84465 – Wednesday, 3 p.m.

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Q&A

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Presentation Materials

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