

SAPinsider

BENCHMARK REPORT

Transformation in the Enterprise

Robert Holland

January 2022

REPORT SPONSORS



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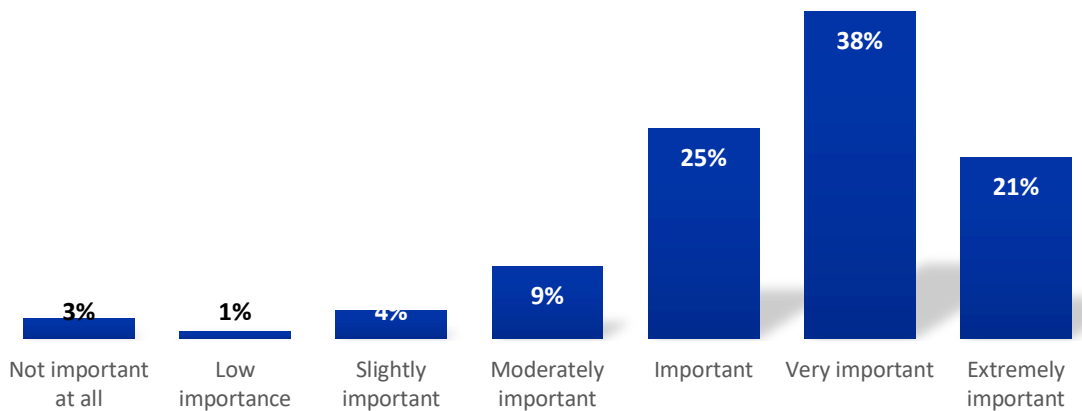
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Executive Summary

Transformation is an integral part of organizational planning today. While transformation frequently started with a goal of reducing legacy debt by replacing outdated hardware and infrastructure, companies are now conducting transformations that cover everything from infrastructure changes to broader organizational structure and cultural changes. With SAP positioning its RISE with SAP solution as a Business Transformation as a Service offering and a means to achieve some of this change, the company is looking to capitalize on the transformation market. But exactly what does transformation mean to the SAPinsider community? And how important is it to what they have planned?

To provide us with the insight necessary to perform this research, SAPinsider surveyed 140 members of our community in December 2021 and January 2022. More than half our survey respondents (59%) said that transformation was either very or extremely important to their organization, as seen in **Figure 1**. This shows just how much of an impact transformation projects are having on the plans of the SAPinsider community. It also shows that less than one in five organizations see transformation as being anything less than important to their plans.

Figure 1: Importance of transformation



Source: SAPinsider, January 2022

While transformation is important to organizations, only 21% of respondents report that they have completed transformation projects within their company. However, a third (32%) say that their leadership fully supports transformation and have started their projects. A quarter (26%) of respondents say that planning is underway for their transformation projects, and approximately half of those (12%) say that they have a formalized plan for transformation that is now complete.

The types of transformation that organizations are planning vary. The most common transformation planned is implementing new software and solutions in the cloud, with nearly two-thirds of respondents (62%) reporting that was what they are planning. This aligns with the results of our [Enterprise Cloud Deployment](#) benchmark report from September 2021, which showed that the majority of respondents were either moving or had already moved SAP workloads to the cloud. More

INSIDER PERSPECTIVE

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Transformation is not an option today. Those who don't transform will just continue to lose ground in the market. It is a must to maintain a competitive advantage.

”

~ IT Manager
Manufacturing Company

INSIDER PERSPECTIVE



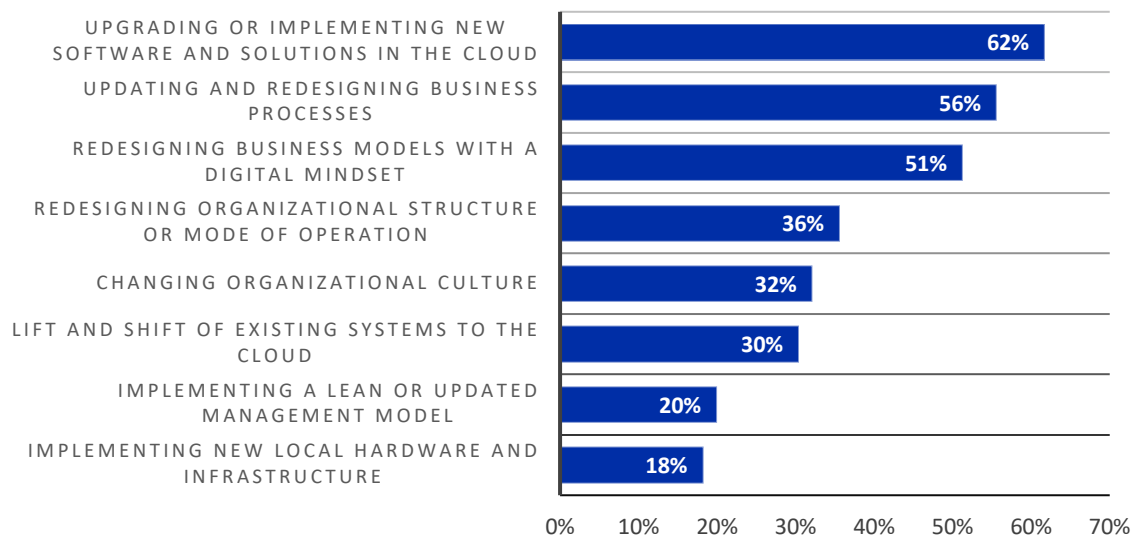
Our industry is changing, our company is changing, and the workforce is changing. We have to rethink and change in order to thrive.



~ Supply Chain Manager
Transportation Company

than half of the survey respondents (56%) indicated that they were planning to update and redesign business processes, as seen in **Figure 2**, and 51% said that they were redesigning business models with a digital mindset. The focus on updating and redesigning business processes and models is frequently a step that organizations take when looking to implement new software — especially when moving from an existing ERP system to SAP S/4HANA. Establishing a system that has updated and streamlined processes can make it much easier for organizations to comply with updated regulations and requirements, as well as leverage technologies like robotic process automation (RPA), artificial intelligence (AI), and machine learning (ML).

Figure 2: Types of Transformation Planned or Being Performed



Source: SAPinsider, January 2022

To help perform these transformations, three in four respondents indicated that they are looking for external resources to assist with their initiatives. Slightly more than a third of respondents (37%) said that they were using system integrators, with the same number reporting that they were using global consulting partners. These organizations specialize in helping customers complete transformation projects and can bring significant expertise to the conversation, so it is no surprise that these are the most used external resources. More than a third of respondents (35%) are using software vendors. With SAP looking to position its solutions as the way to accomplish transformation, that message is obviously being received by respondents. It also correlates with the fact that the most used solution that respondents identified as helping them explore or address their transformation needs was SAP S/4HANA or SAP S/4HANA Cloud. Fifty-nine percent identified SAP's current ERP product as the solution they were using, which was 20% more than those using supply chain solutions (37%) or RPA (36%).

While transformation is very important to organizations and many have already embarked on these initiatives, challenges do exist. The biggest challenges identified by survey respondents were a lack of skills or knowledge (52%), inefficient business processes (52%), and budget concerns or restraints (50%) (**Figure 3**). For some, the global pandemic has placed additional strains on already stretched staff and budgets, making it difficult to prioritize new transformation projects. For others, there is a simple lack of skills or an overreliance on external resources. But respondents acknowledge that change is critical, even if there are challenges involved with kickstarting those projects.

Figure 3: Challenges Related to Transformation



Source: SAPinsider, January 2022

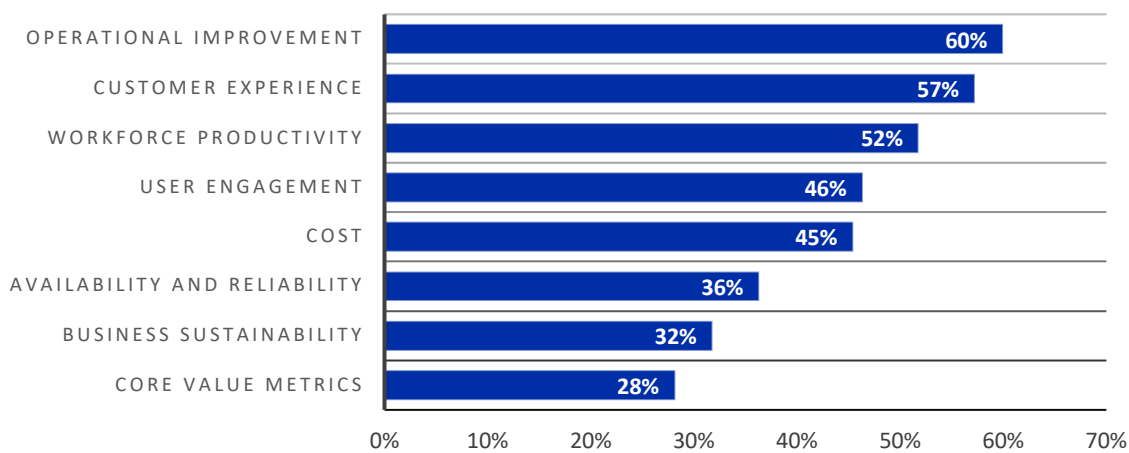
INSIDER PERSPECTIVE

“ Our current organization does not have the skills and change management background to effectively manage the rapid pace of the change that we are undergoing.

~ CEO
High Tech Company

Measuring the success of transformation initiatives can be critical to demonstrating their value and their return on investment. Metrics that respondents identified as most important were operational improvement (60%), customer experience (57%), workforce productivity (51%), user engagement (46%), and cost (45%), as seen in **Figure 4**. Operational improvement and customer experience tie directly to the business drivers that are impacting strategy and plans around transformation that will be discussed further in Chapter 1 — particularly the need to update systems to support increased and changing customer expectations.

Figure 4: Transformation Success Metrics



Source: SAPinsider, January 2022

This year’s survey revealed several other trends regarding respondents’ integration plans:



Data is everywhere. Data enabled solutions increase cross-sales functionality, automating processes, enabling sales and marketing teams to listen to customers on social media, manage customers 360 degrees, and get corrective actions immediately. It is necessary to be data-driven enterprise, gaining real-time insights from data drawn across the organization to enable data-driven decision-making.



Gamze Senkal Odabasi
Project Manager
Eczacıbası Building Products

- The vast majority (89%) of respondents say that data is very or extremely important to their overall transformation strategy. Data provides insight into company activities and helps provide critical decision making, so it is no surprise that respondents highlighted its importance.
- The most important data-and-integration-focused results that respondent organizations hoped to achieve through their transformation strategies were real-time data integration (65%), increased insight into data (53%), increased value of data (50%), and improved access to data (47%). These all directly support the insight and decision making that has become a higher priority for organizations over the last two years.
- Close to one-third (31%) of respondents report that their CIO or CTO is responsible for transformation within their organization. But 40% report that transformation efforts are being led by business executives, with 23% saying that their CEO leads transformation efforts, 10% their CFO, and 7% their Chief Transformation Officer.

Required Actions

Based on the survey responses, organizations should make the following plans around their integration strategies:

- **Determine your most critical transformation needs and secure the assistance needed to complete those priorities.** Wherever you are in your plans for transformation, it is important to prioritize your needs and require the appropriate assistance to complete them. This may involve bringing in expert knowledge or evaluating how your processes can be streamlined in a new solution or product. Spending the time to evaluate your most important needs and making sure that you secure the assistance you need in the timeframe you need is key.
- **Put in place strategies for educating teams on transformation processes and concepts.** The biggest challenge respondents identified was the lack of skills or knowledge for transformation. Investigate where your knowledge gaps are and create a plan for educating your key personnel. This could involve training and upskilling on the solutions being implemented or education on the transformation process itself. But spending the time to make sure that your teams have the knowledge that they need to complete your transformation projects will help provide the foundation for success that your projects need.
- **Define the success criteria for your transformation initiatives early in the process and the KPIs that will provide that measurement.** Respondents had different goals that they planned to use for measuring the success of transformation initiatives, from operational improvement to cost. Identify during your scoping process what your success criteria will be and ensure that you define KPIs that your transformation teams can understand and measure to secure success. Ensuring that team members can connect their part of the project to the goals and KPIs that are being used, as well as defining those things at the beginning of the process, will keep team members more engaged with the process and make it more successful.
- **Accelerate data integration and data-focused objectives that are supporting your broader transformation strategy.** Respondents said that data was a critical part of their plans for transformation, especially being able to view and evaluate data in real-time. To provide the foundation for your transformation projects, complete your data integration and data-focused objectives to provide the information that will provide the detail necessary for the success of your broader transformation goals.

Chapter One: Transformation Overview

Transformation is about change. Digital transformation is about the integration of technology into all areas of a business, changing how value is delivered to internal and external users. Business transformation is about making fundamental changes in how a business or organization runs. Both will impact how the day-to-day processes in a business run, as well as impact culture and customer experiences. The goal of these changes is to meet changing business needs and market requirements — things that have shifted rapidly over the last two years. How do organizations react to these changes? What is driving their business decisions? And what strategies are they putting in place to address them?

Best Practices Model – DART

SAPinsider grounds all its research insights in our 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 internal and external pressures that shape organizational direction. Organizations take Actions to address those Drivers. They need certain people, processes, and capabilities as Requirements for those strategies to succeed. Finally, they need enabling Technologies to fulfill their Requirements.

In this report, the top drivers were the need to update systems to support increased and changing customer expectations, a requirement to update systems and processes to leverage automation, and business demands for updated processes that better fit regulatory needs and requirements. To satisfy these drivers, respondents indicated that they are implementing automation tools and technologies in both new and existing systems, evaluating and updating business processes across the organization as part of broader transformation, redesigning IT platforms to allow for faster deployment of systems and software, and architecting new systems to provide improved customer experience and insight on usage.

To support their integration strategies, there are several requirements that our survey respondents indicated they needed, including the integration of systems across the organization, technology that supports and facilitates transformation, active engagement with business teams across departments to foster collaboration, a thorough evaluation of existing business processes and solutions, and educating employees on transformation goals and objectives. Respondents also use or plan to use a wide range of tools and technologies to support these requirements for integration.

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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With a new global business model and new pressures of supply time from our customers, we are evaluating all processes and programs to strengthen our revenue gains, profitability and customer satisfaction results. With our workforce working from home they need state of the art processes and software immediately available at their fingertips.

”

~ Business Manager
Retail and Distribution Company

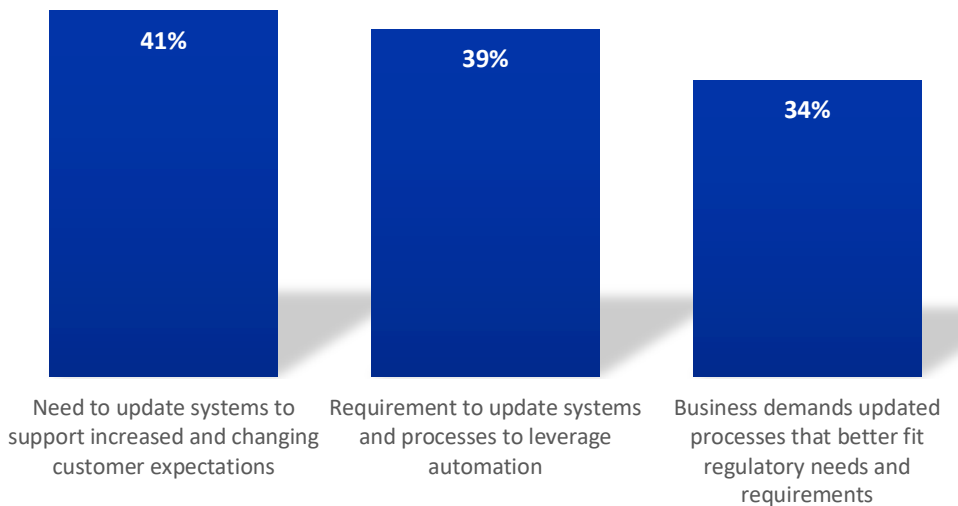
Table 1: DART model framework for integration

Drivers	Actions	Requirements	Technologies
<ul style="list-style-type: none"> • Need to update systems to support increased and changing customer expectations (41%) • Requirement to update systems and processes to leverage automation (39%) • Business demands updated processes that better fit regulatory needs and requirements (34%) 	<ul style="list-style-type: none"> • Implementing automation tools and technologies in both new and existing systems (49%) • Evaluating and updating business processes across the organization as part of broader transformation (47%) • Redesigning IT platforms to allow for faster deployment of systems and software (44%) • Architecting new systems to provide improved customer experience and insight on usage (41%) 	<ul style="list-style-type: none"> • Integration of systems across the organization (84%) • Technology that supports and facilitates transformation (84%) • Active engagement with business teams across departments to foster collaboration (80%) • Thorough evaluation of existing business processes and solutions (76%) • Educating employees on transformation goals and objectives (75%) 	<ul style="list-style-type: none"> • Cloud-based solutions (53%) • Mobile (48%) • RPA (32%) • Big data and real-time analytics (28%) • Automated integration tools (27%) • Internet of Things (24%) • Business process transformation tools (21%) • Business process redesign tools (20%) • AI and ML (19%) • Augmented reality (9%) • Blockchain (8%)

What Drives Transformation?

The need to update systems to support increased and changing customer expectations (41%) was the most important driver of transformation for survey respondents. The requirement to update systems and processes to leverage automation (39%) was nearly as important, followed by business demands for updated processes that better fit regulatory needs and requirements (34%) (Figure 5).

Figure 5: Top drivers for transformation



Source: SAPinsider, January 2022

Customer expectations have been changing rapidly over the last two years, and many organizations have needed to adopt radically new business models just to remain competitive. To support these new business models, new systems and processes are needed. In addition, the need to update systems to support increased and changing customer expectations aligns closely with the fact that the primary form of transformation that respondents are performing is updating and implementing new systems in the cloud. These cloud-based systems will provide the functionality and platform that organizations need to meet new customer expectations.

Automating systems and processes is a major step for organizations that want to free up resources for more critical tasks. However, putting automation in place often needs newer systems, or systems that contain less customizations, to effectively leverage those automation capabilities. Updating systems and processes is a way that organizations can achieve a clean core that will allow for a greater level of automation within key systems.

Regulatory needs and requirements are constantly being updated. For organizations with systems that must meet these requirements, there is constant demand to ensure that processes comply with them. Implementing new systems and updating processes are a way for organizations to meet these requirements that will also allow them to support

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The biggest business reasons for transformation are to increase customer and end user experience and satisfaction while enabling the organization to be a leader in its space.

”

~ Senior IT Director
Global Medical Equipment
Manufacturer

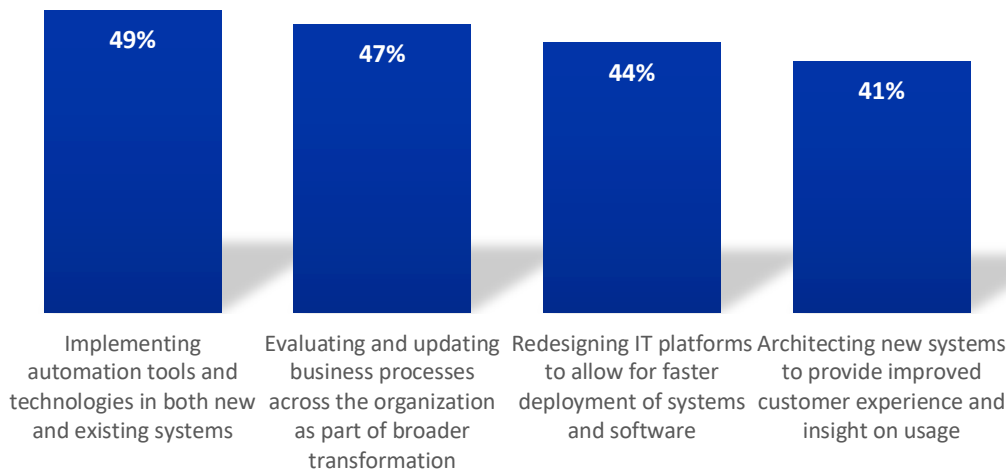
changing customer expectations. These systems will also provide better support for automation.

INSIDER PERSPECTIVE

How Do SAPinsiders Address Their Drivers?

Nearly half of the respondents (49%) said that their top action supporting transformation is to implement automation tools and technologies in both new and existing systems, as seen in **Figure 6**.

Figure 6: Top strategies taken to address the top drivers



Source: SAPinsider, January 2022

Implementing automation tools and technologies is a strategy that is being applied directly in response to the requirement to update systems and processes to leverage automation. The benefits that these automation tools can offer include accelerating operations significantly by processing tasks more quickly, while at the same time reducing errors by eliminating the need for repetitive manual tasks. With this increased efficiency comes increased capacity, which frees up resources for more critical tasks and makes it easier to scale operations.

Nearly as many respondents (47%) said that they are evaluating and updating business processes across the organization as part of a broader transformation. This is needed for organizations to support increased and changing customer expectations. It is also a key part of having updated processes that better fit regulatory needs and requirements. But a broader transformation that examines and evaluates business processes across the organization can also require extensive resources and significant executive support. This correlates with the fact that 40% of respondents say that a business leader is responsible for their organization’s transformation efforts.



Transformation of business processes is necessary to adapt to the changes in the way that we buy, sell, and deliver in order to meet customer expectations.



~ Architect Services Provider

Slightly fewer respondents (44%) said that they are redesigning IT platforms to allow for faster deployment of systems and software. This directly connects to the need to update systems to support increased and changing customer expectations. It is also part of the main type of transformation that respondents said their organizations were performing — updating and implementing new software and solutions in the cloud. These are connected as securing infrastructure in the cloud can be done more rapidly than deploying internal systems. This allows for more rapid deployments of systems and software than in the past.

Approximately four in ten (41%) respondents say that they are architecting new systems to provide improved customer experience and insight on usage. This again connects to the driver of supporting increased and changing customer expectations. For organizations to thrive in today's changing marketplace, providing better experiences to customers is crucial. Just as important is having insight into the way these systems are being used. These newly architected systems will help meet those needs.

Key Takeaways

Based on our research with respect to integration, the following takeaways are clear:

- **Focus on providing a clean core that will provide the basis for your strategies around transformation.** No matter what the business drivers are impacting your strategy and plans around transformation, having a central system with limited customization will help provide the platform you need to address those drivers. Whether you are looking to update systems to provide more insight, leverage automation, or redesign processes, these tasks are more readily completed when there are fewer customizations that need to be considered. Prioritize a clean starting point when updating software.
- **Leverage technologies like automation to free up resources to focus on critical transformation-related tasks.** Implementing automation within your systems can help reduce the need for manual tasks and allow you to provide more time for both IT and business resources to dedicate to more critical tasks. This can be extremely important in ensuring that team members have the time to dedicate to broader transformation projects, as well as providing ongoing benefits over the long term for team members.
- **Adopt technologies that will support the evaluation, redesign, and architecture of processes and platforms.** Whether you are implementing a business process redesign or business process intelligence tool or making a move to SAP S/4HANA that forces change to business processes, ensure that you are putting in place the technologies that will help you with evaluating and redesigning processes and architecture. These will be key to your future transformation success and are a necessary step towards ongoing transformation to respond to market and system changes.

“

The challenge with updating business processes is to find the right balance between global designs and local requirements. If this balance is not correct, then organizations end up with highly complex processes which employees have difficulties to understand.

”

~ Business Analyst
Global Manufacturer

Chapter Two: How Do SAPinsiders Approach Transformation?

Transformation projects began within IT departments as they supervised updates of obsolete infrastructure and solutions. But transformation has moved to the broader enterprise as organizations look to not only replace outdated hardware but also redesign and update business processes and models with a digital mindset. These efforts have required that more transformation programs be led by business leaders within organizations. These leaders not only bring the engagement of their business teams with the transformation process, but also offer greater insight into the data that systems are providing. Many of the requirements and technologies that are connected to transformation highlight this business engagement and the focus on data that is a critical foundation for transformation success.

INSIDER PERSPECTIVE

“ Integration helps to bring together a seamless underlying process efficiency/security and the ability to diagnose problems much faster since their interdependency can be traced in an integrated environment, and this helps not optimize on the process as well as provide best end user/customer experience.

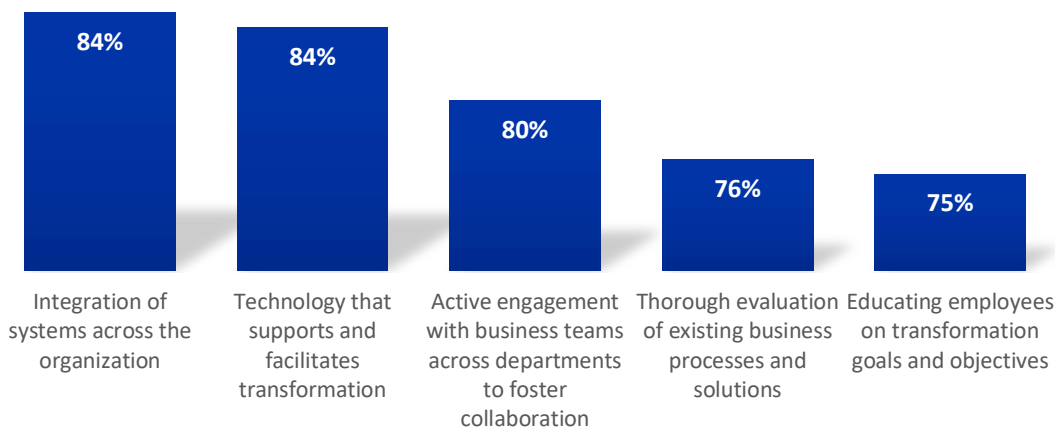
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~ Senior IT Director
Global Medical Equipment
Manufacturer

Top Integration Requirements

Over the past two years, the need for organizations to have greater insight into their daily operations has become paramount. Real-time data analysis is needed to react to rapid changes in supply chain and customer demand. To achieve this insight, organizations need to bring data from multiple systems into a single source of business truth. This requires the integration of systems across the organization, the top requirement for 84% of respondents, as seen in **Figure 7**.

Figure 7: Top requirements for transformation



Source: SAPinsider, January 2022

The next most important requirement identified was technology that supports and facilitates transformation (84%). Selected by slightly fewer respondents than the top choice, this connects to the same actions — redesigning IT platforms to allow for faster

deployment of systems and architecting new systems to provide improved customer insight and experience. These technologies, such as automation, help organizations implement their transformation projects.

Active engagement with business teams across departments to foster collaboration (80%) is crucial to evaluating and updating business processes across the organization. It is also important to effectively implement automation tools and technologies in new and existing systems. Without the insight that business teams provide into the way data moves through processes and across systems, business processes cannot be updated, and automation cannot be implemented. This collaboration is also necessary to complete the thorough evaluation of existing business processes and solutions identified by three-quarters of respondents (76%) as a requirement.

Educating employees on transformation goals and objectives (75%) directly connects to the top challenge organizations are facing today — lack of skills or knowledge. Putting in place education will help organizations address the skills gap that exists within their business and IT teams and will more effectively meet their transformation goals.



By automating nearly all of our manual operations, our digital transformation has enabled new levels of efficiency, giving us competitive advantage.

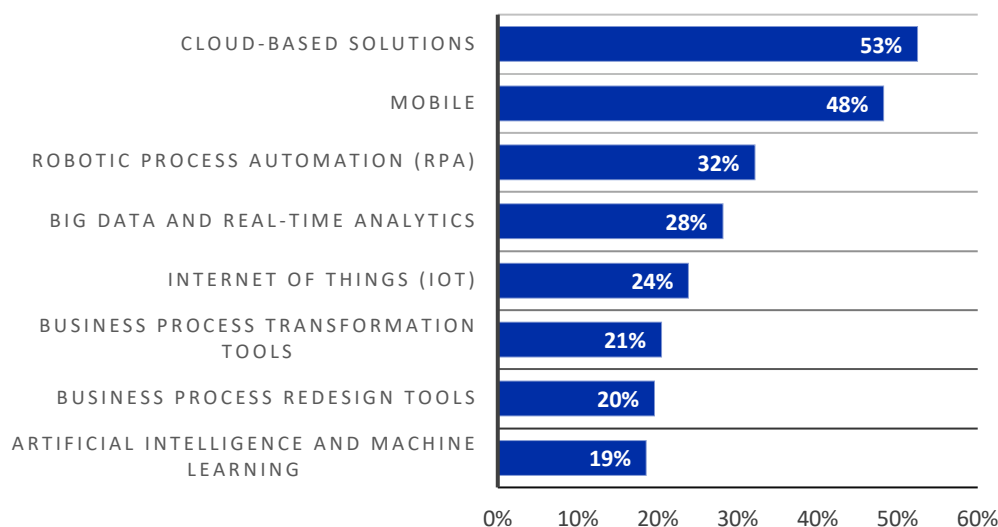


Gamze Senkal Odabasi
Project Manager
Eczacıbası Building Products

Which Technologies Do Respondents Use for Transformation?

More than half of the respondents (53%) reported that they are already using cloud-based solutions within their organization (**Figure 8**). Implementing cloud-based solutions is a part of redesigning IT platforms to allow for faster deployment of systems and software, as well as automation tools and technologies in new and existing systems. It is also the main type of transformation being planned or performed by respondents.

Figure 8: Transformation tools and technologies currently in use



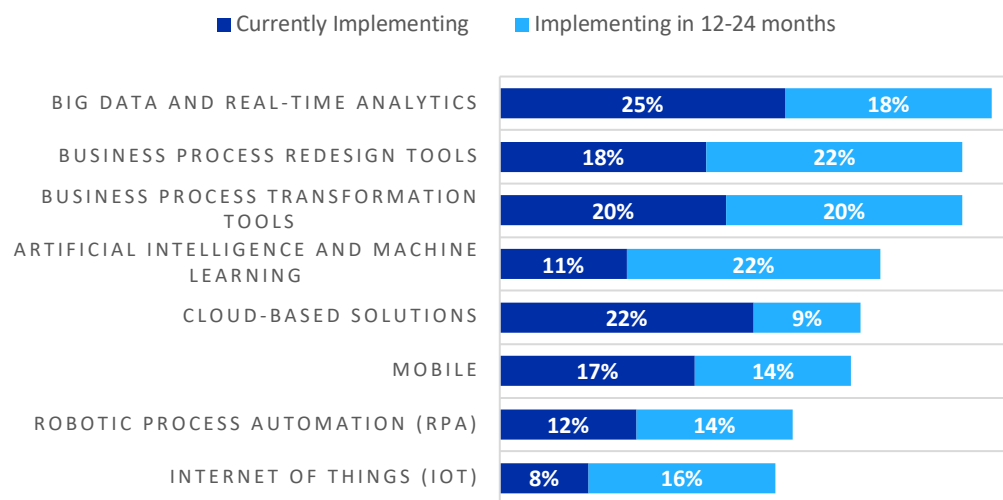
Source: SAPinsider, January 2022

Mobile solutions and technologies are in use with 49% of respondents. These can not only facilitate a better user experience within the organization but also provide better support for customers who now expect mobile options.

RPA (33%) and big data and real-time analytics (28%) represent the next two most used technologies supporting transformation. RPA is very much connected to automating processes to streamline operations and reducing repetitive manual tasks. Big data and real-time analytics are part of the offerings of all the public cloud vendors. These technologies allow organizations to integrate their data into a single source in a more streamlined manner. This can then be used to support better decision making.

The technologies that respondents are most likely to be implementing to support transformation are big data and real-time analytics (43%), business process transformation tools (40%), business process redesign tools (40%), AI and ML (34%), and cloud-based solutions (32%) (Figure 9).

Figure 9: Transformation tools and technologies being implemented



Source: SAPinsider, January 2022

Big data and real-time analytics facilitate critical decision making, as discussed above. With cloud providers offering the ability to store large volumes of data in the cloud and merge that with data from other sources to provide additional insights, it is easy to understand why the demand for this technology is increasing.

Business process transformation tools are a way for organizations to update the business and internal processes that they are using as they deploy new software and solutions. And business process redesign tools take organizations beyond basic transformation to redesigning and updating business processes. Many older SAP systems may be using business processes that have not been updated in years, which increases the importance of these technologies and the strategy of evaluating and updating business processes across the organization.

“

Structured and unstructured data can help in improving operational cost and efficiency while making the best use of the data. Streaming data generated by the new age marketing tools using social media can be deciphered to the advantage of the organization, not only within the company, but also of competitors to identify any shortcomings or add more value. With existing data and better quality of new data post transformation, organizations can train and use data science related algorithms to stay ahead of the competition.

”

Pravin Sarwade
SAP Applications Consultant
EMEA

AI and ML help organizations rapidly analyze and gain understanding from the data sets that they are storing in their big data solutions. While AI is important to these roles, ML allows for automated and continuous learning through monitoring and testing. It can then provide potential actions that allow organizations to improve outcomes through the ongoing data analysis that is occurring. This is very important to achieving transformation goals of operational improvement, workforce productivity, and availability and reliability.

Technologies that respondents identified as being evaluated for use in transformation include AI and ML (28%), Internet of Things (25%), business process transformation tools (23%), blockchain (22%), augmented reality (22%), and business process redesign tools (20%).

Key Takeaways

When it comes to equipping organizations with the capabilities and technologies required to implement an effective integration strategy, consider the following:

- **Put in place plans for integration that will bring together data from across the organization into readily addressable location.** Data is a key part of transformation, and it is a scenario that has ongoing complexity for SAPinsiders who are typically integrating both SAP and non-SAP systems in their enterprise landscapes. As a starting point for getting insight into data, integration of different solutions across the enterprise is an important step in providing a data repository that can be used to evaluate customer activity and to make time sensitive decisions. Not having a complete integration strategy in place will limit insight into organizational performance and potentially limit the success of transformation projects.
- **Ensure that business teams are part of the integration project from the start and budget to allow them to have the time needed to contribute meaningfully.** While IT teams can help architect new systems and implement new software and solutions, to evaluate and redesign processes and redesign business models require the direct engagement of business teams. But this engagement needs to be for the duration of the project, so organizations must budget for the involvement of key business users from the start of the project until it is completed. Only by planning for this level of involvement from the beginning will business processes and models be updated in a way that supports the way the business functions.
- **Start with technologies that will provide the foundation for transformation and move to those that provide the means to perform that transformation.** Cloud-based solutions and mobile offer an immediate benefit to both customers and internal users of a system that can be seen and experienced. Moving beyond these to real-time analytics, business process redesign and transformation tools, and AI and ML is the next step towards ongoing transformation. Building the platform first and then moving to the technologies that leverage that platform will allow for more successful transformation projects and provide the tools needed to complete future transformation.

Chapter Three: Required Actions

Transformation is a critical path for organizations today. Nine in ten respondents indicated that planning for transformation is at least underway at their company, and more than half have either already completed transformation plans or have formalized plans that their leadership fully supports.

But not all transformation projects are the same. For those who already have transformation in place, the type of project completed closely reflected that of the chart in **Figure 2**. But respondents who identified that their leadership fully supports transition were just as likely to be planning on updating and redesigning business processes or redesigning business models with a digital mindset as they were implementing new software and solutions in the cloud. This shows that updating processes is becoming just as important a part of broader transformation as is infrastructure change.

However, challenges still exist for organizations embarking on transformation projects. While only 14% reported that a lack of executive support was a challenge related to transformation — placing it lowest on the list of challenges respondents said they faced — skills, inefficient processes, and budget concerns were all being encountered by at least half our respondents. Organizations should work to address these concerns where possible, for example, by implementing education and training around transformation projects. Other concerns, like budget constraints, will require executive engagement to address.

Regardless of the transformation goals that organizations seek to achieve, data is central to what they are doing. Nearly nine in ten survey respondents said that data integration was very important or extremely important to their overall transformation strategy. Most important is the ability to get access to data in real-time. This is followed by increased insight into data, increased value of data, and improved access to data. Organizations are looking at different tools to help achieve these data-focused results, but having a data repository that can provide a central point of decision making is a crucial part of making transformation successful.

Steps to Success

Our research reveals that SAP customers should apply the following key steps to ensure their transformation projects have the foundation for success:

- **Focus your initial transformation on updating the systems you will need to support additional transformation goals.** With most organizations starting transformation with a move to cloud-based systems and solutions, this is the first step towards putting infrastructure and software in place that will help provide the foundation for additional transformation projects. Although some organizations are doing business and process redesign at the same time as software deployment — for example, a move to SAP S/4HANA — this is not always a potential path for every organization. Putting the right systems and software in place first should be the starting point for future transformations.

“ We are transforming to stay ahead of our competitors. We need to serve our customers better and engage our employees more efficiently. We also need to comply with new regulatory requirements. We are trying to take a lead in transformation processes to improve our company for ourselves and our stakeholders.

“
~ IT Manager
High Tech Company

- **Explore tools and technologies that will help you evaluate and update business processes in future transformation projects.** Beyond an initial move to replace infrastructure and reduce legacy debt, organizations are looking at how they can evaluate and redesign their business processes. Performing this redesign can be much more complex in a system that has been in place for many years. This will require tools that provide insight into the way data flows through systems in order to ensure that any redesigned processes do not miss critical steps. Exploring the tools that will support future transformation should be the second part of your overall transformation progress.
- **Prioritize data-related goals as part of your transformation objectives to provide the insight and analysis needed to drive that transformation.** Completing business-focused transformation requires insight into data to be successful. While infrastructure can be replaced with new systems and landscapes, data is necessary to complete a redesign of processes and procedures. Prioritize projects that will help provide you with the central data source that is necessary to supply insight into your business that will allow for the necessary analysis to support transformation goals and objectives.
- **Evaluate cloud-based solutions to provide the flexibility and scalability needed for transformation success.** Many SAP workloads are already only available in the cloud — for example, Success Factors and Concur — while others are being moved to the cloud over the next few years. The reason that organizations are looking at the cloud as their platform of choice is for the flexibility and scalability that it offers. Not only can additional resources for existing systems be switched on and off based on specific needs, but also new systems can be spun up quickly and then shut down if they are no longer required. Organizations should evaluate cloud-based systems, whether these are private cloud, public cloud, or operational expenditure infrastructure running on-premise, as the environment that supports transformation projects.

Methodology

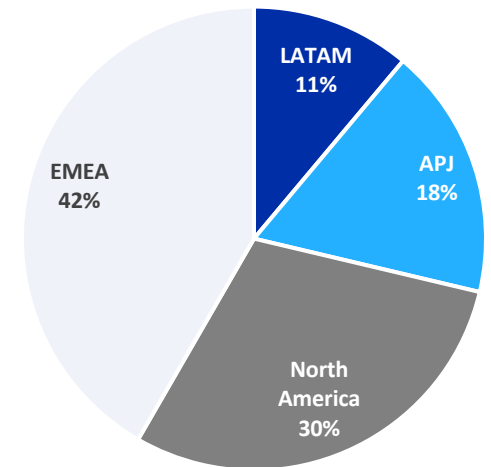
In December 2021 and January 2022, SAPinsider examined the experiences of business and technology professionals about how they are approaching integration. Our survey was administered to 140 members of the SAPinsider Community and generated responses from across a wide range of geographies, industries, and company sizes. Respondents completed an online survey and provided feedback in customer interviews that questioned them on topics such as:

- How important is transformation to your organization?
- What types of transformation is your organization currently performing or planning?
- How far has your organization reached with plans for transformation?
- What are the biggest challenges that you are facing today related to transformation?
- How will you measure the success of your transformation initiatives?

The demographics of the respondents included the following:

- **Job function:** Functional areas reported by respondents include: Information Technology (61%); Finance (7%); Supply Chain and Logistics (6%); Business Development and Sales (6%); and GRC and Compliance (5%).
- **Market sector:** The survey respondents came from every major economic sector, including: Software and Technology (37%); Industrial (23%); Financial Services and Insurance (11%); Retail and Distribution (10%); Public Sector (7%); Healthcare and Life Sciences (6%); Hospitality, Transportation, and Travel (3%); and Media and Entertainment (2%).
- **Geography:** Of our survey respondents, 42% were from Europe, the Middle East, and Africa (EMEA); 30% were from North America; 18% were from Asia-Pacific, Japan, and Australia (APJ); and 11% were from Latin America (LATAM).

PARTICIPANT PROFILE



Appendix A: The DART™ 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's 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 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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