PRESS RELEASE

S/4HANA is gaining momentum across the Atlantic

Walldorf, 07.14.2020 - ASUG and the German-speaking SAP User Group (DSAG) have, for the first time, conducted joint research among their members about their experiences with SAP in the context of S/4HANA. According to the survey, the majority of DSAG members (70 percent) and ASUG members (55 percent) are in the process of or planning to implement S/4HANA in the future, while 12 percent (DSAG) and 16 percent (ASUG) are already live. Among ASUG members, the reasons why they have not yet taken on an S/4HANA project are costs, the lack of a business case and ongoing SAP ECC projects. Among DSAG members, the lack of the need for an ERP change, uncertainty about the functionalities and, in third place, a missing business case are the reasons why they are not adopting S/4HANA.

The most commonly used solution among members of both SAP user groups is still SAP ECC for 84 percent of DSAG respondents and 78 percent of ASUG respondents. But S/4HANA use is on the rise everywhere. S/4HANA has a firm place in customers' plans, with 69 percent of DSAG members and 57 percent of ASUG members saying they are considering using it in the future.

The results on SAP Fiori are also interesting. Around half of ASUG (57 percent) and DSAG (47 percent) members already use the app solution. Another 44 percent of DSAG members are considering it for future use, com-

pared with 22 percent of ASUG members. "We are seeing SAP Fiori appear as a top product of interest in the research we've been doing with ASUG members for the past year. We expect this to increase over time as our members go live on SAP S/4HANA and take on projects to deliver the full value of the data in their new ERP system to business users across their organizations," said Ann Marie Gray, VP of content strategy and research at ASUG.

Interest in SAP Analytics Cloud

By contrast, interest in SAP Analytics Cloud is largely uniform between the two user groups, with 36 percent of DSAG members and 34 percent of ASUG members considering it for the future. On the other hand, 13 percent of DSAG members are already using SAP Integrated Business Planning (ASUG: 20 percent) and 32 percent of DSAG members (32 percent) are almost twice as interested in it as ASUG members (17 percent). "These products support digitization efforts and the need for forecasting. The latter, in particular, is becoming increasingly important because the coronavirus has made companies realize that they need to plan more flexibly and with greater foresight," summarized Marco Lenck, chairman of the DSAG board.

Acquired products show differences in demand

The largest differences arose when comparing use of the acquired products Concur, SuccessFactors and Ariba. While 58 percent of ASUG members already rely on Concur, this figure is only 17 percent among DSAG members. For SAP SuccessFactors, the figures for current use are 46 percent of ASUG and 23 percent of DSAG respondents. And Ariba is already used by 32 percent of ASUG members but only 11 percent of DSAG members. This result is not surprising, because these solutions were all developed in the

PRESS RELEASE

United States before SAP acquired them. But what is interesting in this context is that only 12 percent of ASUG members who do not yet use Success-Factors are considering the solution in the future, less than half as many of the DSAG members who responded (30 percent). "The fact that the SAP Human Capital Management (SAP HCM) solution for human resources can also be operated within S/4HANA from 2022 onwards may explain the reluctance of DSAG members to use these acquired products. On the other hand, SAP's strategic orientation is clearly going in the direction of SAP SuccessFactors. This could again be an indication that a third of DSAG members are preparing themselves accordingly," said Marco Lenck, assessing the current situation.

When asked how customers view SAP after an implementation project, a uniform picture emerges. The perception of SAP after implementing S/4HANA improved a lot for 13 percent of ASUG members and for 14 percent of DSAG members. Minor improvements were noted here by 33 percent of ASUG members after their implementations, but only 26 percent of DSAG members. Overall, 11 percent of DSAG members (ASUG: 17 percent) rate their impressions of the ERP system as very positive and 40 percent of DSAG members (ASUG: 41 percent) have an impression of the system that is somewhat positive.

Better customer experience through support and user enhancements
When asked how SAP can improve the customer experience, ASUG members rank improved support consistency and availability first, followed by more in-depth training and materials, and a more user-friendly experience. DSAG members, on the other hand, are primarily looking for a better product experience, better integration, and a better information and communication strategy from SAP.

PRESS RELEASE

When asked, what SAP customers can do to improve their own experience, the respondents from both user groups agreed that reducing customizations in your SAP systems leads to more business agility, easier management, and lower costs. This, in turn, means that ASUG and DSAG members are benefitting from a move to standard in their SAP systems.

Improved integration capability
The ability of S/4HANA to integrate with third-party applications was rated "extremely well" by only 3 percent of DSAG members and 7 percent of ASUG members. There were differences between the two user groups, however, when it comes to integrations with other SAP solutions. While 27% of ASUG members said that integrations between S/4HANA and other SAP systems rated "extremely well," only 6% of DSAG members had the same experience. "DSAG has already emphasized several times that integration between SAP solutions is a prerequisite for user companies. SAP is working on this and will implement it in the interest of the users," said Marco Lenck.

A full 92 percent of DSAG members who have already decided in favor of adopting S/4HANA are planning their projects within the next five years. For ASUG members, 98 percent say they will adopt S/4HANA within the next five years. This confirms DSAG's statement that S/4HANA seems to have arrived at SAP customer companies.

Highest-priority business areas for S/4HANA
Among the business areas that customers are prioritizing to include in their S/4HANA implementations, the financial area is in first place for 76 percent of DSAG participants and 80 percent of ASUG participants, followed by

PRESS RELEASE

sales and distribution for 54 percent of DSAG participants and 52 percent of ASUG participants. The biggest discrepancy is in supply chain management. This business area is a priority for 50 percent of ASUG members, but only for 39 percent of DSAG members.

More than half (59 percent) of ASUG members believe that the introduction of S/4HANA will not affect existing business processes, but only 13 percent of DSAG members. On the other hand, 74 percent of DSAG members and 13 percent of ASUG members believe that the introduction will have an impact on business processes; standardization and change management were mentioned here. "The business processes of the members from both user groups should not differ fundamentally. Accordingly, I see the discrepancy more as being rooted in differences in business culture," commented Marco Lenck.

"We know from the 2020 ASUG Pulse of the SAP Customer study that the standardization of business processes is one of the top three most compelling reasons driving the business cases for ASUG members to move to SAP S/4HANA, although that reason ranks behind enhanced functionality/performance and retirement of their current ERP software," said Ann Marie Gray. "It appears to be a lower priority for ASUG members to redesign their processes as part of their migrations."

Benefits expected through performance and set-up
In terms of concrete benefits, those who are already using S/4HANA in both user groups are experiencing better performance than with their previous systems, as well as a better set-up for faster innovations. The optimization of existing business processes is the top benefit experienced by 63 percent of DSAG members who are live on S/4HANA, while it ranks as the fourth most-reported benefit for 38 percent of ASUG members. The picture

PRESS RELEASE

is similar when it comes to the removal of unnecessary code. Only 19 percent of ASUG members noted this as a benefit of adopting S/4HANA, while 41 percent of DSAG members identified it as a benefit — the second most-reported benefit for DSAG members after optimizing their business processes. "More ASUG members are focused on the purely technical conversion to SAP S/4HANA. For DSAG members, on the other hand, a new implementation or even a migration is often used to clean up the system at the same time," said Marco Lenck.

But where light falls through an S/4HANA project, there is also a shadow, as indicated by the challenges SAP customers said they faced during their implementations. Nearly half (48 percent) of both the ASUG and DSAG members who have already implemented S/4HANA found the process more complex than expected, which was the top challenge they reported. DSAG and ASUG members experienced nearly the same challenges with one exception: a lack of functionality. In this case, 37 percent of DSAG members identified this as an issue versus 18 percent of ASUG members.

Fewer problems cleaning up custom code than expected
There were some interesting differences between the expected problems and what customers ultimately encountered when moving to S/4HANA. Of the DSAG members who participated in the survey, 50 percent had expected to encounter problems with cleaning the user-defined code during their implementation, but only 26 percent actually experienced this. Similarly, 61 percent of ASUG members expected problems with custom code, while only 24 percent actually experienced them. In addition, 48 percent of DSAG members (ASUG: 36 percent) feared that they would exceed their budget, but this only occurred in 19 percent of cases for DSAG members and for 23 percent of ASUG members.

PRESS RELEASE

Overall, it is clear that S/4HANA projects are increasingly being planned and implemented both at DSAG and ASUG. In contrast, some interesting differences can be observed between DSAG and ASUG members in the demand for and use of the cloud-based products that SAP acquired. On the other hand, the survey participants agree that the topic of integration with third-party applications from SAP still requires further work. "The results of this collaborative survey between ASUG and DSAG are a valuable benchmark for all SAP customers to measure their SAP S/4HANA progress and where they should focus their attention," said Geoff Scott, CEO of ASUG. "In addition, the results will serve as valuable and actionable customer feedback to SAP to make improvements in how they design, integrate and deliver SAP S/4HANA and future software releases to all SAP customers."

BOX

SAP S/4HANA research covered in an upcoming webcast

The results of the SAP S/4HANA survey by ASUG and DSAG will be presented to DSAG members in a webcast on July 23 at 4 p.m.

https://www.asug.com/events/asug-and-dsag-insights-on-cross-border-customer-experiences-with-sap-s-4hana

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Survey participants and methodology

483 companies took part in the quantitative survey in North America and 217 companies in the DACH region. Of the ASUG participants, 10 percent came from the consumer goods sector, followed by 12 percent from the government or public sector (DSAG: 9 percent) and 9 percent industrial manufacturing, machinery and components (DSAG: 12 percent), as well as

PRESS RELEASE

7 percent from education and research (DSAG: 2 percent). Other top industries that participants in the DSAG survey represented include the public sector at 9 percent (ASUG: 3 percent) and automotive with 8 percent (ASUG: 3 percent). The survey was conducted in April and May 2020. The research also included a qualitative follow-up study of 9 participants in the DACH region and 36 in North America.

About DSAG

The German-speaking SAP User Group (Deutschsprachige SAP-Anwendergruppe e. V., DSAG) is one of the most influential SAP user groups in the world. Its strong network comprises more than 60,000 members from over 3,500 companies, ranging from medium-sized businesses to DAX corporations, and representing all industries in Germany, Austria, and Switzerland. This gives the group unparalleled insights into the digital challenges facing companies in these markets. DSAG uses this knowledge to represent the interests of SAP users and to support members on their paths to digitalization. Further information is available at:

www.dsag.de, www.dsag.at, www.dsag-ev.ch

About ASUG

ASUG is the world's largest SAP user group. Originally founded by a group of visionary SAP customers in 1991, its mission is to help people and organizations get the most value from their investment in SAP technology. ASUG currently serves thousands of businesses via companywide memberships, connecting more than 130,000 professionals with networking and educational resources to help them master new challenges. Through in-person and virtual events, on-demand digital resources, and ongoing advocacy for its membership, ASUG helps SAP customers make more possible. Further information is available at www.asug.com.

PRESS RELEASE

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