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[DSAG assessment: SAP Business Suite and SAP Business Data Cloud](#)

### **Suite first: DSAG welcomes SAP's strategic announcement**

Walldorf, 13.02.2025 – As part of today's "[SAP Business Unleashed](#)" event, SAP not only announced its partnership with technology provider Databricks and the SAP Business Data Cloud (BDC) solution package, but also redefined the content of the SAP Business Suite. In future, SAP intends to combine business applications, data and artificial intelligence (AI) offerings under this established term. This is accompanied by the promise of seamless integration of the line-of-business applications, the SAP Business Technology Platform (SAP BTP), the new SAP Business Data Cloud and the AI co-pilot SAP Joule. The German-speaking SAP User Group (DSAG) assesses how these announcements should be evaluated and what they mean for users.

From DSAG's point of view, integrated business processes were and are one of the major advantages that have made SAP so successful. "The basis for this was a strong Enterprise Resource Planning (ERP) solution with almost all the necessary functions from finance to production in a single system," says Thomas Henzler, DSAG Board Member for Sales, Production & Logistics. This topic has been the subject of many discussions in the past.

From DSAG's point of view, the numerous SAP company acquisitions in the past, technological changes and the software manufacturer's strategic orientation towards the cloud and Software-as-a-Service (SaaS) have led to the portfolio becoming increasingly fragmented. Examples include customer relationship management (CRM) and individual financial solutions. "The complexity of contract design has increased massively and, as a result, so has cost management. There were also challenges in terms of integration," summarizes Henzler. Overall, customers had to weigh up whether they wanted to pursue a best-of-breed approach or a best-of-suite approach.



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### **Target image: SAP Business Suite**

With the innovations that have now been announced, SAP is strengthening its integrated system approach. “It is important to know that the new SAP Business Suite is not a product that the customer buys. Rather, it is a target status,” says Henzler. This includes a modular ERP system whose solution scope is based on the customer's process-related requirements. The public cloud edition of S/4HANA should preferably be at the heart of the whole. This is supplemented by other SAP solutions that are integrated into the ERP core without the customer having to do anything.

This target image is to be achieved through different journeys. While “RISE with SAP” and “GROW with SAP” were previously products that customers could buy, in future it will be a RISE or GROW journey. “It depends on the customer's initial situation as to which of the journeys is relevant for them. RISE is still aimed at customers with existing ERP systems, while GROW addresses new customers,” says Henzler. Both journeys are aimed at the Business Suite. In future, the Business Suite will largely consist of public cloud solutions.

### **New name for the cloud ERP**

“Instead of RISE or GROW with SAP, customers will in future purchase the 'Cloud ERP Private' or 'Cloud ERP Public' products. These in turn contain various SAP add-on solutions, such as GROW with SAP, which previously included licenses for SAP Sales Cloud V2,” explains Henzler.

### **Between target image and reality**

The strategic orientation towards the public cloud - also in the context of ERP with S/4HANA Cloud Public Edition - has been known for some time. The path to this is still challenging, especially for existing customers with greater complexity. From DSAG's point of view, what applies to customers also applies to SAP. “The BDC announcement shows this in part. The strategic focus is clearly on the public cloud and therefore also on public ERP, but many integrations and announcements, such as the BDC, are now being directed towards the S/4HANA Cloud Private Edition as



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a first step,” says Henzler, adding: “Given the large installed base, this is not surprising. However, the big challenge is to combine the strategic long-term goal with the current reality.”

### **Commercial incentives for loyal SAP customers**

From DSAG's perspective, a major disadvantage in the past was that customers could not always easily benefit from buying everything from SAP from a single source. “This often meant that solutions from other manufacturers were also purchased in tenders. The customer always had to negotiate individual deals with SAP - e.g. for CX or procurement solutions. There was a lack of transparency as to what commercial advantage the customer actually gained from purchasing everything from SAP. In addition, purchases from the past were generally not taken into account for discounts in new deals,” summarizes Henzler.

To the satisfaction of DSAG, this is where SAP wants to start. Similar to an insurance policy, the customer should benefit from buying several SAP products. “There should be a corresponding discount scale that makes transparent the number of SAP solutions purchased for which discount. From DSAG's point of view, this also ties in with the RISE and GROW-with-SAP journeys,” says Henzler and adds: “SAP is aiming to continuously develop its customers' SAP landscapes towards a public cloud-based business suite. The new license model is intended to commercially support this gradual growth.”

### **DSAG welcomes holistic ERP platform approach**

From DSAG's point of view, this strategic decision is to be welcomed. “On the one hand, the target image of the Business Suite emphasizes the strengths of SAP and a suite-first approach. On the other hand, the new RISE and GROW journeys ensure that customers can modernize their landscapes step by step and without major financial losses because they do not buy everything directly in one large contract,” says Henzler. From DSAG's point of view, the customer thus experiences SAP more as “One SAP” - and not as a company with many small companies that want to bring all their solutions to the customer in the best possible way. In addi-



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tion, from DSAG's point of view, fixed volume discounts as a starting point for negotiations create more transparency in terms of what a customer gains from buying as many solutions from the SAP portfolio as possible.

The prospect of more integrations managed by SAP is also positive from DSAG's point of view. Until now, customers have been responsible for setting up and managing the integrations between SAP solutions. In future, there will be “managed integrations”, as is already the case for Sales Cloud V2, where SAP will take care of these issues. This represents real added value from the user's perspective. However, it is also clear here that it primarily relates to the new solutions that were developed as a public cloud offering on SAP BTP.

### **SAP announces SAP Business Data Cloud**

Another key announcement at the SAP event related to SAP Business Data Cloud. From DSAG's perspective, SAP is aiming to harmonize SAP data management across systems with this offering. This new solution in turn accesses various partial solutions, such as SAP Analytics Cloud (SAP SAC), SAP Datasphere, SAP Business Warehouse and SAP BW/4HANA in the S/4HANA Private Cloud Edition. “The business data fabric is at the heart of SAP BDC. This is where the data is processed semantically and made available in a standardized way. The data used can come from the connected ecosystem - either directly from all SAP applications or already prepared via existing business warehouse systems,” explains Sebastian Westphal, DSAG Chief Technology Officer. The data available in the BDC can then be used with AI from SAP or 3rd party providers.

### **Solution to the long-standing integration deficit?**

Another innovation announced by SAP is the so-called Insight apps. These are data products managed by SAP, for which SAP is responsible for the semantic data model as well as ongoing operation and further development. User companies should therefore be able to activate these out-of-the-box. The Insight apps should enable analysis and planning across all lines of business - including core business, financials and human resources. “If this succeeds, it will eliminate a decades-long deficit that previously had to be solved individually by the application companies: the cross-portfolio integration of all SAP applications,” says Westphal. In line with



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its strategic orientation, the focus of the offering is initially on S/4HANA Private Cloud as part of the commercial RISE model, for which SAP-managed data products are to be provided from S/4HANA RISE 2021+. The integration of on-premises systems via mapping and integration logic in conjunction with the application companies is currently in preparation.

### **Contractual and operational complexity unclear**

“The implementation will now depend on which Insight apps SAP will offer, when and under what conditions - i.e. with what added value, at what cost and with what requirements,” says Westphal, adding: “The contractual and operational complexity is not yet foreseeable. We expect that extensive information will be provided and system access will have to be clarified - especially in the event that SAP really takes on operational responsibility here.”

### **SAP BDC must be usable for all SAP customers**

According to DSAG information, a roadmap for the Insight apps will follow soon. SAP is also said to be working on an option for customers with on-premises source systems such as S/4HANA. “The option for on-premises customers is essential. An integration of S/4HANA on-premises and ECC systems is both technically feasible and essential in view of the customer investments already made in SAP Business Warehouse (SAP BW), BusinessWarehouse Bridge and Datasphere,” says Westphal. However, from DSAG's point of view, it is also understandable that the new offering as part of RISE with SAP will enjoy priority with the software manufacturer - after all, SAP can realize a complete integration more easily here, as only little customer involvement is required.

### **Relevance of previous data architectures**

From DSAG's perspective, the introduction of the BDC marks another change in the SAP data strategy, which essentially means a lift-and-shift approach that supports existing data-holding SAP solutions and makes previously BW-based data products available in the BDC in future. “For companies, this means a balancing act: protecting existing investments while maintaining access to the new Lakehouse architecture with additional services. Legacy systems should continue to be



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able to be operated, while SAP-managed services increasingly replace individual data storage,” says Westphal. In the long term, DSAG believes that these developments could have an impact on the product roadmaps of existing solutions. Specific cutbacks are not foreseeable at present, but appear likely. DSAG will keep a critical eye on this development.

### **Databricks now an integral part of SAP BDC**

As part of the BDC announcement, SAP also announced a deeper partnership with technology provider Databricks. With the SAP BDC, the Databricks portfolio will be largely integrated into the SAP ecosystem - a model that many companies are already familiar with from hyperscalers such as Azure Databricks. With the BDC, a specially adapted SAP version of the Databricks solution portfolio will now be offered - with a few exceptions. “Companies can thus benefit from the modern AI and warehousing functions of Databricks and should be able to seamlessly integrate individual data products into the SAP ecosystem - with a low entry hurdle and usable via existing SAP contracts,” says Westphal. If SAP's data product strategy works, traditional raw data processing could increasingly be replaced by semantic data and business logic. From DSAG's point of view, it remains challenging how complex data paths can be implemented in the future, as generic Databricks tools or hyperscaler solutions may still be necessary in certain scenarios.

### **SAP BDC as the basis for business AI and hybrid architectures**

“The SAP Business Data Cloud lays important foundations for the future,” explains Westphal, adding: “It can help our 4,000 member companies to make better use of their SAP data - especially for Business AI scenarios.” Provided that SAP consistently implements its announcements, DSAG believes that the BDC will enable progress in process automation, planning and innovation. As an integration layer, it could also facilitate data exchange with data warehouse and analytics platforms - even across hyperscalers thanks to Databricks functionalities.

### **DSAG welcomes system-wide implementation of data products by SAP**

DSAG supports the long-demanded introduction of a data-as-a-product philosophy. While SAP has achieved a certain degree of openness for third-party providers in



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the cloud, the integration of its own products has so far remained inadequate. From DSAG's point of view, SAP BDC should now close this gap. "The partnership with Databricks offers an attractive solution for companies that link their SAP data with external analytics architectures. The success of the BDC could point the way forward for both SAP and user companies - even if the long-term effects and joint product development are still open," says Westphal. For SAP-centric architectures in particular, it is crucial that the new Insight apps deliver real business benefits, are cost-efficient and come with low technical hurdles. DSAG is eagerly awaiting the further roadmap, license models and initial experience reports on implementation.

**All current DSAG positions can be found in the [DSAG press center](#).**

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### **About DSAG**

The German-speaking SAP User Group (DSAG) is one of the most influential user associations in the world. More than 4,000 member companies form a strong network that extends from medium-sized companies to DAX corporations and across all economic sectors in Germany, Austria and Switzerland (DACH). Based on this reach, the industry association gains well-founded insights into the digital challenges in the DACH market. DSAG uses this knowledge advantage to represent the interests of SAP users and pave the way for digitalization for its members. For more information, visit: [www.dsag.de](http://www.dsag.de), [www.dsag.at](http://www.dsag.at), [www.dsag-ev.ch](http://www.dsag-ev.ch)

### **Press contact:**

#### DSAG

Thomas Kircher, Julia Theis, Dana Walter  
Deutschsprachige SAP® Anwendergruppe (DSAG) e. V.  
Altrottstraße 34a  
69190 Walldorf  
Telephone: +49 1512 5630665  
E-Mail: [presse@dsag.de](mailto:presse@dsag.de)  
Internet: [www.dsag.de](http://www.dsag.de)