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Latest survey results: digital transformation

DSAG Annual Conference 2017: SAP users require more than a stable ERP core

Bremen/Walldorf, Germany, September 26, 2017 – The German-speaking SAP User Group (DSAG) will focus on SAP users' latest experiences of digital transformation for its 18th annual conference at the Bremen Exhibition and Conference Center. According to a member survey conducted by DSAG, SAP still has significant issues to resolve, especially with regard to licensing, security and product transparency. More than 4,500 attendees are again expected at the three-day event, which runs from September 26 to 28, 2017 under the motto "Between Two Worlds – ERP and Digital Platforms." The DSAG's annual conference is one of the world's largest meetings of SAP users.

As the motto of the 18th annual conference suggests, today's businesses find themselves between two worlds. To implement much-needed digitalization initiatives effectively, companies require a stable ERP system that displays essential business processes, but which can also be updated quickly and easily. "We're not quite there yet," said chairman of the German-speaking SAP User Group (DSAG) Marco Lenck in his keynote speech. The system must also be enhanced with solutions that can be flexibly configured. This is the only way to make end-to-end processes a basic component of digital business models beyond company limits. "The solution doesn't lie in one IT infrastructure operating on two different levels, as is often claimed. To meet the challenge of digital transformation, we instead need to introduce hybrid systems," Lenck explained. "However, these hybrid scenarios will require security methods that are comprehensive and preemptive. This is where SAP needs to deliver."



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How relevant are SAP solutions?

How do SAP users currently manage such situations and where does SAP fit in? To find out, DSAG conducted a member survey* in the run-up to its annual conference. 70 percent of respondents gave S/4HANA a high to very high degree of relevance for digital transformation, while more than half saw the Business Suite as another option for future digital projects. This means that DSAG members are relying on both solutions. "For us users, it's essential that SAP creates more transparency with regard to the maturity and scope of new products and that they also forge ahead in developing the Business Suite," said DSAG members in their appeal to SAP.

End of the dual licensing model

For many DSAG members, the SAP cloud platform remains an unknown. Nearly half of them attribute either little or no relevance to it, even though it was developed precisely for flexible digital business processes. In addition, the more than 3,300 DSAG member companies didn't consider the other cloud solutions any more relevant for digital transformation. One of the DSAG's missions is to critically assess the extent to which platforms such as Ariba, SuccessFactors and Concur can truly be integrated into existing IT environments and where their actual benefit lies for SAP users. Moreover, it is assumed that further development of new products for all aspects of the digital system will primarily involve the cloud. Customers have already purchased licenses for their business process applications, and with that in mind, it must be ensured that no dual licensing models ensue. DSAG continues to stay on top of this issue.

SAP Leonardo far from arrived

The verdict on SAP Leonardo is quite clear. 82 percent see this new solution for the Internet of Things (IoT) and Artificial Intelligence sector as playing a very small role in their digital strategy, which might be partially due to the solution only recently having been launched. Marco Lenck notes: "A key requirement for



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success is that SAP provides targeted education and comprehensible information. It is mandatory that SAP's digitalization strategy is apparent to clients, so that they can make profound business decisions." Customers definitely see SAP as an important, if not the only partner in their digitalization: 79 percent credit SAP with having an important role (2016: 74 percent).

In the area of the IoT, DSAG members view security and licensing, as well as indirect usage as the most important challenges for SAP to overcome, in particular:

- IoT projects require a comprehensive security architecture as well as corresponding governance models.
- To operate on a variety of landscapes, uniform standards must be created and maintained.
- Any transition from old to new contracts must preserve existing requirements and be supported by a uniform pricing and licensing model.
- A clear and sustainable pricing model is required, which is business oriented and makes all risks clear – also in an IoT environment

The DSAG chairman's main message: without clarification on these and other points, it will be difficult to implement digitalization projects effectively.

Digital transformation has major implications

DSAG members have a clear picture of the near future: 86 percent expect digital transformation to have major implications for their companies. According to 91 percent of interviewees, the biggest transformation will be seen in IT departments. With that in mind, IT will be given a leading role in digitalization efforts.

According to the survey's self-evaluation section, companies are still at the beginning of their digital transformation. The situation presents SAP with a clear mission, according to Marco Lenck: "SAP is on its way in terms of technology, but that's not enough for us. We need solutions from SAP that work using simple



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update and security methods, reliable information that helps companies better define their digitalization strategy, and, last but not least, transparent costs via flexible licensing models that enable sustainable business cases." DSAG and SAP will be working together on these very issues in the coming months.

Additional information:

Specific requirements at a glance

SAP should provide more transparency with regard to the maturity and scope of its products.

A vertical licensing model is urgently needed, one that charges for licensing in a fair and business-oriented way independent of various on-site and cloud scenarios, no matter whether it is leased or bought.

Hybrid scenarios require both comprehensive and preemptive security methods.

SAP should disclose its IoT strategy. This should conform to customer roadmaps.

SAP should demonstrate how platforms such as Ariba, SuccessFactors and Concur can truly be integrated into existing IT environments and where their actual benefit lies for SAP users.

***About the survey**

In early summer 2017, DSAG conducted an online survey of SAP user businesses in German-speaking countries. More than 500 decision-makers from IT and various business units were surveyed.

About the DSAG annual conference

More than 4,500 visitors attend the three-day event hosted by the German-speaking SAP User Group (DSAG), at the Bremen Exhibition and Conference Cen-



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ter. Eight keynote speeches, more than 280 presentations and 175 partners in an exhibition area of 14,000 square meters form the framework for the largest user meeting in Europe. www.kongress.dsag.de

About DSAG:

The German-speaking SAP User Group (Deutschsprachige SAP-Anwendergruppe) e. V. of Walldorf, Germany, is an independent special interest group that represents all SAP users in Germany, Austria, and Switzerland. The group's mission is to encourage the realization of SAP solutions that meet members' needs and to promote the exchange of experiences and information both among SAP customers as well as with SAP. Founded in 1997, DSAG is a registered association (eingetragener Verein) with more than 3,300 companies with 60.000 registered DSAG-members. DSAG is currently one of the largest SAP user groups and influencing channels worldwide.

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

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