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DSAG Annual Congress 2023: Wonderfully changeable

### **SAP should reopen the door to innovation for all customers**

- Latest SAP innovations also demanded for on-premises customers
- SAP strategy fits one-third of customers
- More transparency needed in product and pricing strategy

**Walldorf, Sept. 19, 2023 – "Wonderfully changeable - creating new perspectives together" is the motto of the 2023 Annual Congress of the German-speaking SAP User Group (DSAG) at Messe Bremen. Change has become more dynamic and complex, presenting companies and organizations with challenges. It is about digital change, technological change with a focus e.g. on artificial intelligence (AI) as well as ecological and economic change. All areas influence each other and require companies to deal with many changes at the same time. Accordingly, the question arises: How "wonderfully changeable" are companies, SAP, and the partner ecosystem? A recent survey\* by DSAG and the Americas' SAP Users' Group (ASUG) also provides answers to this question.**

According to the DSAG Investment Report 2023, more than half of the respondents have not proceeded very yet with their digital transformation. Looking at the enterprise resource planning (ERP) solutions used, it is encouraging that more and more companies are switching to S/4HANA, which is probably also related to the end of standard maintenance for the Business Suite in 2027. But around half of the companies surveyed still have the migration ahead of them. In addition, many of the ongoing conversions are technical migrations and real transformations and cloud ERP are still dreams of the future. "Against the backdrop of the announcement at the SAP annual press conference in July of this year, that significant inno-



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vations will only be offered to customers with a RISE or GROW contract in the future, it will be interesting to observe how customers decide on their transformation projects," says Jens Hungershausen, DSAG Chairman of the Board, and adds: "We will continue to exchange ideas with SAP in order to jointly develop a solution that achieves the goals of all parties."

According to SAP, it is currently still working flat out to ensure that the cloud roadmaps are processed. "This makes the change even more difficult for customers, because SAP must ensure that the new cloud portfolio offers an alternative in terms of both functionality and technology," comments Jens Hungershausen.

### **AI position paper provides recommendations**

When it comes to technological change, artificial intelligence (AI) has secured a top spot among the hotly debated topics. However, DSAG member companies are still reluctant to invest in innovative technologies. In the [2022 Investment Report](#), only 12 percent named artificial intelligence/machine learning as their top investment area. "The topic of AI has received an attention boost thanks to ChatGPT. Therefore, we assume that participants in the next DSAG investment survey will assign a higher relevance to AI. In order to support our members here, we have developed an AI position paper that also provides recommendations on what companies should pay attention to when introducing and using AI," says Jens Hungershausen. From the DSAG's point of view, attractive application scenarios as well as fair and transparent licensing and usage conditions are also important for making the use of AI more interesting to companies.

### **Raising awareness of sustainability**

In terms of ecological change, sustainability has become more important. According to the [Investment Report 2023](#), 17 percent of respondents gave the topic high relevance and 31 percent gave it medium relevance. However, this also means that just under half of the respondents still accorded the topic only low or no importance. "We assume that there is still a lot of potential here among user compa-



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nies. This also applies, for example, to the mapping of comprehensive environmental reporting by means of a green ledger," summarizes Jens Hungershausen. In this context, DSAG is calling on SAP to enable user companies of all sizes and regardless of their architecture - on-premises, cloud or hybrid - to map their environmental reporting using a green ledger.

### **Cloud-first yes, cloud-only no!**

In order to meet this multi-faceted change constructively and successfully, SAP, its partners and other organizations and companies must work together well and successfully. The aforementioned SAP announcement was of little help in this context. While it does not mean that on-premises solutions in general will not be functionally developed further, on-premises customers are denied, for example, major innovations such as artificial intelligence and green ledger. The same applies to larger function modules and extensions based on the Business Technology Platform (BTP).

"To clarify the DSAG's position: We support the use of the cloud and know that innovations today must be provided primarily on cloud technology. But what is important here is the freedom for each individual company to be able to decide for itself how it uses these innovations," explains Jens Hungershausen, Based on this, the user association demands that SAP show clear development paths that enable companies to make a smooth transition to the cloud and the next ERP generation without jeopardizing investments that have already been made.

All innovations for the S/4HANA private cloud must also be made available for S/4HANA on-premises with an identical scope of services. "A cloud-first strategy from SAP is perfectly understandable, but a cloud-only strategy is not an option," clarifies Jens Hungershausen.

### **More than half satisfied with SAP**

The current survey by the DSAG and the Americas' SAP Users' Group (ASUG) sheds light on how stakeholders generally assess the day-to-day cooperation between SAP, customers, and partners. According to the survey, 53 percent of the

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companies surveyed in Germany, Austria and Switzerland are very satisfied or satisfied with their cooperation with SAP. Dissatisfied and very dissatisfied are 17 percent. 29 percent are neither satisfied nor dissatisfied. "This result must be viewed in a somewhat differentiated manner, as this survey was completed before SAP's announcement on the topic of innovations in the cloud," comments Jens Hungerhausen.

### **SAP very satisfied with collaboration with customers**

Looking at the other side, 87 percent of SAP employees are very satisfied and satisfied with their cooperation with customers, only 6 percent are dissatisfied, and 6 percent are also indifferent. Looking at their collaboration with SAP partners, 76 percent of user companies are very satisfied and satisfied, only 5 percent are dissatisfied, 17 percent are neither. When asked about their cooperation with user companies, 73 percent of the SAP partners surveyed are very satisfied and satisfied, 9 percent are dissatisfied or very dissatisfied. 13 percent are neither. Of the SAP partners, 43 percent are very satisfied and satisfied with their collaboration with SAP employees, 25 percent are dissatisfied or very dissatisfied, and 31 percent are neither. Of SAP employees, 81 percent are very satisfied and satisfied with their collaboration with partners, only 4 percent are dissatisfied, and 13 percent are neither.

### **One-third find SAP strategy suitable**

The statement that the SAP strategy fits the needs of the companies or organizations is agreed with completely or agreed with by 29 percent. 38 percent disagreed and strongly disagreed, and 30 percent were indifferent. "In evaluating the SAP strategy, a certain parallel can be drawn with the question about satisfaction with the SAP industry strategy in the Investment Report 2023, which was also rated positively by around one-third of respondents," comments Jens Hungerhausen. Among the partners surveyed, 41 percent completely agree and agree that the SAP strategy fits the needs of customers, while 27 percent disagree and strongly disagree.



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### **Involve customers and partners in development at an early stage**

The results of the survey on SAP strategy make it clear that product strategies and pricing models must become even more transparent. Pricing metrics must be simplified, license costs must be fully disclosed, and solution options must be presented more clearly. Product quality is also a point frequently addressed by the DSAG, especially with regard to new solutions and legal requirements. "Overall, it would be important for SAP strategy and development to go hand in hand with customer needs. It could be helpful here if customers and partners were involved earlier and more intensely during development. In addition, hybrid cloud and on-premises scenarios or heterogeneous SAP and non-SAP scenarios must be taken into account to an even greater extent," summarizes Jens Hungershausen.

### **An upgrade for service quality**

Open questions on improving collaboration with SAP revealed, among other things, that SAP's service quality should be upgraded. For example, customers and partners need more qualified contact persons and better response and correction times, e.g., for error messages. Finally, customer orientation should be significantly improved in both pricing and product strategy. The needs of customers and partners must become more central, roadmaps must become more sustainable, and cooperation must be better regulated, including fair and sustainable licensing models. This is the basis for further strengthening mutual trust between user companies, partners, and SAP, so that together we can master the change in a wonderful way. This also includes ensuring that user companies are open to new things and use the functional innovations from SAP.



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### **Demands to SAP at a glance**

- Clear development paths for a smooth transition to the cloud and the next ERP generation
- All innovations for S/4HANA Private Cloud must be available in S/4HANA On-Premises with an identical scope of services
- A clear “yes” to the cloud-first strategy, a clear “no” to cloud-only
- More transparent product strategy and pricing models as well as stronger customer orientation
- Better product and service quality

### **\*Basis of survey**

A total of 480 participants, including 262 SAP user companies, 134 SAP partners, and 84 SAP representatives, took part in the survey from June 27 to July 14, 2023. 73 percent of the companies are headquartered in Germany, 11 percent in Austria and Switzerland, and 6 percent in other countries.



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All current DSAG positions (german-speaking only) can be found [here](#).

### **About DSAG**

The German-speaking SAP User Group (DSAG) is one of the most influential user associations in the world. More than 3,800 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)

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