

# RIMINI STREET SURVEY: 2017 SAP Applications Strategy Findings

## Introduction

In May 2017, Rimini Street surveyed<sup>1</sup> 208 SAP® ERP licensees across North America, Asia-Pacific, Latin America and Europe to gain insights into strategies for their SAP ERP/Business Suite implementations.

Below is a detailed synopsis of key findings of these insights that include near-term ERP plans, their views on S/4HANA® and finally, long-term plans for their SAP applications in 2017 and beyond.

## 1 | Plan to Run Stable, Robust, ERP Release as Systems of Record in Hybrid IT Strategy

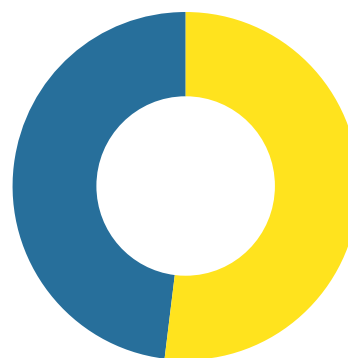
Our findings show that the majority of licensees plan to continue running their current SAP ERP releases. Their ERP applications are proven, customized to meet their needs, and will support their business operations for a decade and beyond.

For those planning to continue running their current releases, when asked to identify the version they are on, responses included:

**25%** - "R/3 4.x or earlier"

**24%** - "ERP 5 (ECC 5.0)"

**52%** - "ERP 6 (ECC 6.0)"



# 52%

are currently running  
ECC 6.0

For those respondents running ECC 6.0, in response to the question:

**"If you are not on the most current Enhancement Pack release, why have you not upgraded?"**

Responses included:

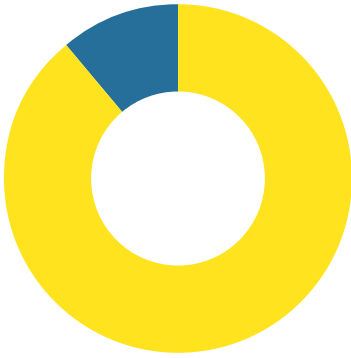
**52%** - "The current version meets our business needs"

**25%** - "Enhancement Pack implementations are too disruptive"

**23%** - "Other"

For those selecting "Other", a variety of write-in responses include, "*Limited resources working on other initiatives.*"

89% of respondents plan to run their current, proven SAP ERP releases, while 30% said they would also look to implement a hybrid IT strategy to augment their existing platforms with cloud applications for innovation (e.g., sales force automation, travel and expense, procurement, etc.) from SAP and/or other cloud providers.



**89%**

plan to run their current, proven SAP ERP releases

**The Bottom Line**

- SAP licensees continue to rely upon their Business Suite application platforms ranging from R/3 or earlier up through ECC 6
- They seek stability and continuity with their mature core SAP applications and see them as a foundational system of record and part of a hybrid IT strategy
- Many want to drive innovation via systems of engagement around their current ECC 6.0 release with new cloud applications and services

**2 | Low Adoption of S/4HANA**

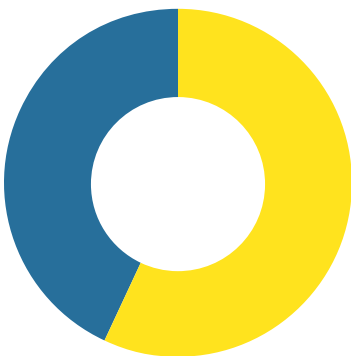
The majority of surveyed SAP licensees remain uncommitted to S/4HANA. When asked if they planned to fully reimplement their existing SAP systems to S/4HANA, 65 percent indicated they would not, or were as of yet undecided.

In response to the question

**“Why have you not committed to S/4HANA?”**

Responses included:

- 57%** - “No strong business case and unclear ROI”
- 34%** - “High migration and implementation costs”
- 19%** - “Unproven, early stage product”



**57%**

find no compelling business case to move to S/4HANA

**Why Pay Twice as Much?**

Why pay twice as much for SAP support? Use our free calculator and see how much you can save.

**CALCULATE MY SAVINGS NOW**

Of those respondents who have committed to or were in the process of migrating to S/4HANA, in response to the question:

***“What is your reason for committing to S/4HANA?”***

**56%** - Selected *“It is SAP’s future direction for the business suite and we have no choice”*

And in response to the question:

***“What best describes your full, multi-year cost projection for reimplementing on S/4HANA?”***

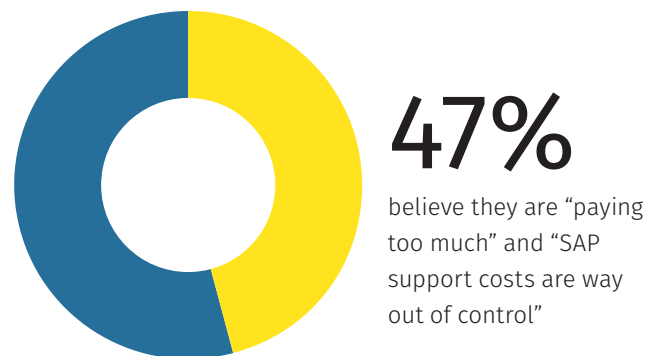
**56%** - Estimated the total cost of reimplementation for a move to S/4HANA to be between \$10 and \$100 million

**The Bottom Line**

- SAP licensees who choose to reimplement to S/4HANA would be advised to build out a strong business case and ROI before proceeding
- The cost to deploy S/4HANA may be financially untenable for many organizations
- Independent support can enable SAP licensees to shift funds from expensive support and reimplementation costs to innovation projects that accelerate the achievement of business objectives

### 3 | SAP Support Strategies

Only eight percent of SAP respondents said they felt the fees they paid for SAP support were “well worth the value they receive,” while 47 percent expressed dissatisfaction and said they were “paying too much” and/or “support costs are way out of control.”



In response to the question

***“What are your biggest challenges with SAP Support?”***

The top three responses included:

**36%** - *“Issues take too long to resolve”*

**33%** - *“Lack of support for customizations”*

**29%** - *“Lack of expertise or adequate knowledge to resolve issues”*

When asked if they had considered third-party support as an alternative to SAP support, almost half said that they were already on third-party support or were currently considering third-party support.



# 48%

are already on third-party support or are currently considering third-party support

### The Bottom Line

- SAP licensees continue to pay for high-cost and low-value support
- Many are frustrated with a lack of vendor support that can potentially impact ongoing business operations
- Many are considering third-party support as a viable alternative to the vendor

## Conclusion

### Three Best Practices for Finding the Freedom to Innovate

The majority of SAP licensees surveyed plan to remain on their existing Business Suite applications. Most don't see a business case for S/4HANA and are wary of a multimillion-dollar expense and lack of functional parity. And many give SAP support low marks for its high costs, slow response and lack of expertise.

Rather than sticking with the status quo, take control of your future with a strategy of innovation agility. We recommend putting the following best practices in place to enable innovation:

#### 1 | Optimize

Save, run more efficiently, get the support you need.

#### 2 | Liberate

Liberate funding and resources with independent support that can reduce your overall maintenance spend by up to 90%.

#### 3 | Innovate

Innovate around the edges of your core ERP and transform your business with mobile, social, big data and digital technologies.

## Learn More

Do the high costs of SAP system maintenance and a growing wait for S/4HANA have you stuck at a red light on the road to innovation? Ready to go?

Download “[Stuck Waiting at a Red Light with SAP S/4HANA?](#)” now.



## SOURCES

<sup>1</sup> 2017 SAP Applications Strategy Survey, Rimini Street, April 2017.

## Let's Talk

Ready to talk about how to reduce SAP maintenance costs and redirect IT resources to strategic initiatives? Send us a note at:

[www.riministreet.com/contact-us](http://www.riministreet.com/contact-us)

[info@riministreet.com](mailto:info@riministreet.com)

## About Rimini Street, Inc.

Rimini Street is a global provider of enterprise software products and services, and the leading independent support provider for Oracle and SAP products. The company has redefined enterprise support services since 2005 with an innovative, award-winning program that enables licensees of IBM, Microsoft, Oracle, SAP and other enterprise software vendors to save up to 90 percent on total support costs. Clients can remain on their current software release without any required upgrades for a minimum of 15 years. Global Fortune 500, midmarket, public sector and other organizations from a broad range of industries rely on Rimini Street as their trusted, independent support provider.

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