

SAP S/4HANA Services – Rise with Industry Transformations

November 2021: Complimentary Abstract / Table of Contents



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Background of the research

- Enterprises are adopting SAP S/4HANA to modernize their finance and accounting operations, enable end-to-end visibility across the supply chain, better forecast demand and sales, optimize inventory management, and streamline procurement operations
- However, enterprise expectations are evolving beyond the lift-and-shift of workloads and process reimagination to ecosystem orchestration, using SAP S/4HANA, to better orchestrate their enterprise application landscape and reap incremental value
- To address changing client expectations and accelerate the migration of its on-premise client base to the cloud, SAP is continuously augmenting its SAP product portfolio including SAP S/4HANA Cloud capabilities
- In this research, we present the current state of the market related to SAP S/4HANA services, deal characteristics, enterprises expectations and challenges, best practices for enterprises, and implications for service providers

Scope of this report:



Geography
Global



Industries
All major industries experiencing SAP S/4HANA implementations have been covered in this report

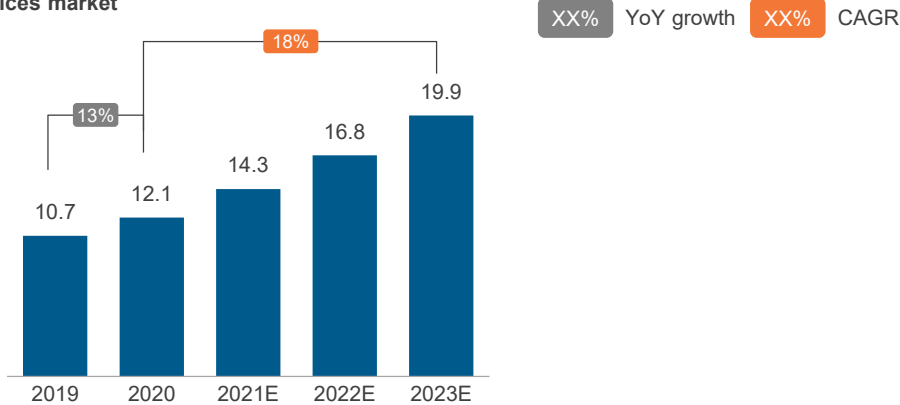


Services
SAP S/4HANA services

This study offers five distinct chapters providing a deep dive into key aspects of SAP S/4HANA services market; below are four charts to illustrate the depth of the report

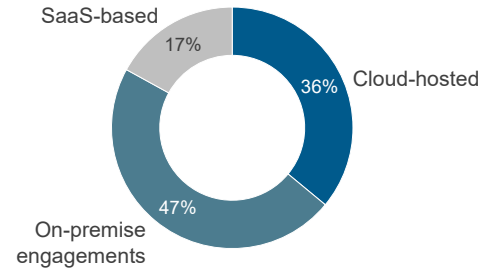
SAP S/4HANA services market size and growth

Global SAP S/4HANA services market
US\$ billion

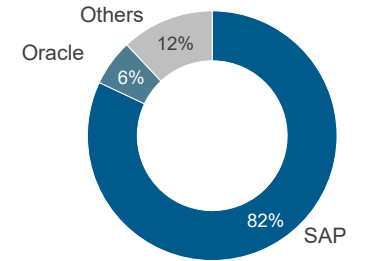


SAP S/4HANA deal characteristics

SAP S/4HANA services engagements by type of deployment¹
2020; Percentage of deals



SAP S/4HANA services engagements by incumbent ERP vendor¹
2020; Percentage of deals

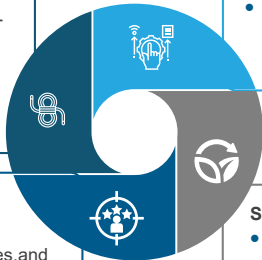


Enterprise objectives for SAP S/4HANA

Enterprise focus Low High

ERP consolidation/replacement

- Enterprises focus on consolidating their regional/BU-specific instances and systems inherited through mergers & acquisitions
- Growing SMBs are switching their tech stack – moving away from small ERP vendors to SAP S/4HANA to strengthen their core



Experience focus

- Meaningful investments around increasing collaboration between ecosystem partners, and increasing stakeholder experience through HR, sales, and service modules
- However, enterprises cite that experience-centric capabilities are not up to the mark to drive large transformations, especially for asset-light industries

Functional transformations

- Initiatives focus on streamlining financial and accounting processes to increase financial closing times
- Other initiatives are around improving procurement processes and supply chain visibility, reducing inventory/warehousing costs, and increasing billing throughput / order processing

Sustainability

- Enterprises in the asset-heavy industries such as manufacturing, energy, and utilities are focused on reducing their carbon and energy footprint
- Circular economy and sustainable supply chain are the other themes enterprises are proactively investing in

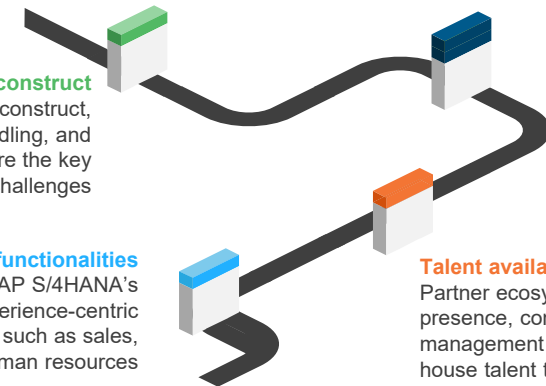
Enterprise challenges with SAP S/4HANA adoption

Licensing model/construct
SAP's complex licensing construct, extensive product bundling, and indirect access fees are the key challenges

Experience-centric functionalities
Lack of maturity of SAP S/4HANA's experience-centric products/functionalities such as sales, service, and human resources

Talent availability
Partner ecosystem lacks onshore presence, consulting, and change management capabilities; and lack of in-house talent to manage the solution

Customization/integration
Implementations often get complex with the need for heavy customization and integration of the new solution to leverage old functionalities and new business processes



Research calendar

Enterprise Platform Services (EPS)

Published Planned Current release

Flagship EPS reports

	Release date
Pega Service Provider Compendium 2021	February 2021
ServiceNow Services – the Uberization of IT, HR, and Employee Workflows	February 2021
Enterprise Platform Services – Renewal Opportunity for Service Providers	February 2021
Salesforce Healthcare services – State of the market 2021	March 2021
SAP S/4HANA Services PEAK Matrix® Assessment 2021	May 2021
SAP S/4HANA Service Provider Compendium 2021	June 2021
Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2021	September 2021
Microsoft Dynamics 365 Service Provider Compendium 2021	September 2021
SAP S/4HANA Services – Rise with Industry Transformations	November 2021
Microsoft Dynamics 365 Services – State of the market 2021	Q4 2021
Oracle Cloud Application Services PEAK Matrix® Assessment 2021	Q1 2022

Thematic EPS reports

	Release date
Cloud Management Platform Trailblazers: Top 10 Start-ups Creating Buzz in the Market	October 2020
Assessment of the Niche ServiceNow Services Partner Ecosystem	May 2021
Real-time Transportation Visibility Trailblazers 2021	Q4 2021

Note: For a list of all of our published EPS reports, please refer to our [website page](#)



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