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De-risking your SAP migration to the cloud: How to meet the need for your organization to be responsive and adaptable

JUNE 2021

Authors:
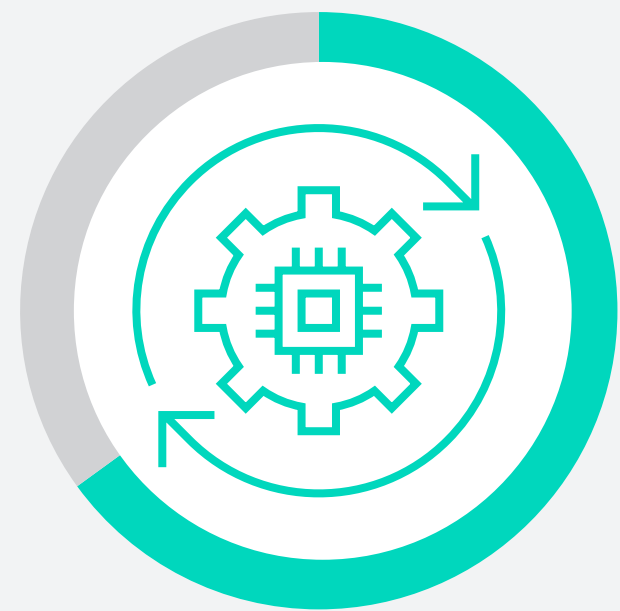**Carla Arend**
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Accelerated Digital Transformation in 2021

In **65%** of organizations, the CEO has made digital transformation an integral part of the business strategy and will continue to drive digital initiatives forward in 2021.

Source: IDC's IT Buyer Sentiment Survey, Wave 15, December 2020 n=430

The pandemic has shown that digital transformation is necessary to stay in touch with employees, customers, and ecosystem partners amid rapidly changing circumstances. Access to real-time data is critical to react quickly and appropriately to a new environment, and IT plays the main role in enabling agility and flexibility securely.

Consequently, organizations will continue to move towards a digital business model, create new digital products and services, and digitalize their operations, and 11% will start to create new revenue streams based on their data.

Q: Which of the following is your organization going to focus on to ensure future business growth and resilience?

We will focus on changing or adapting our existing business model into a digital business
30%

We will create new digital products and services
26%
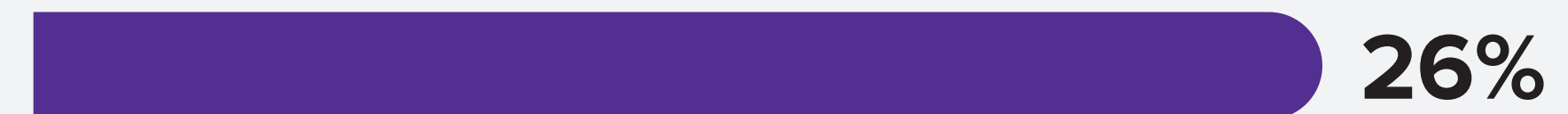
We will digitalize our operations
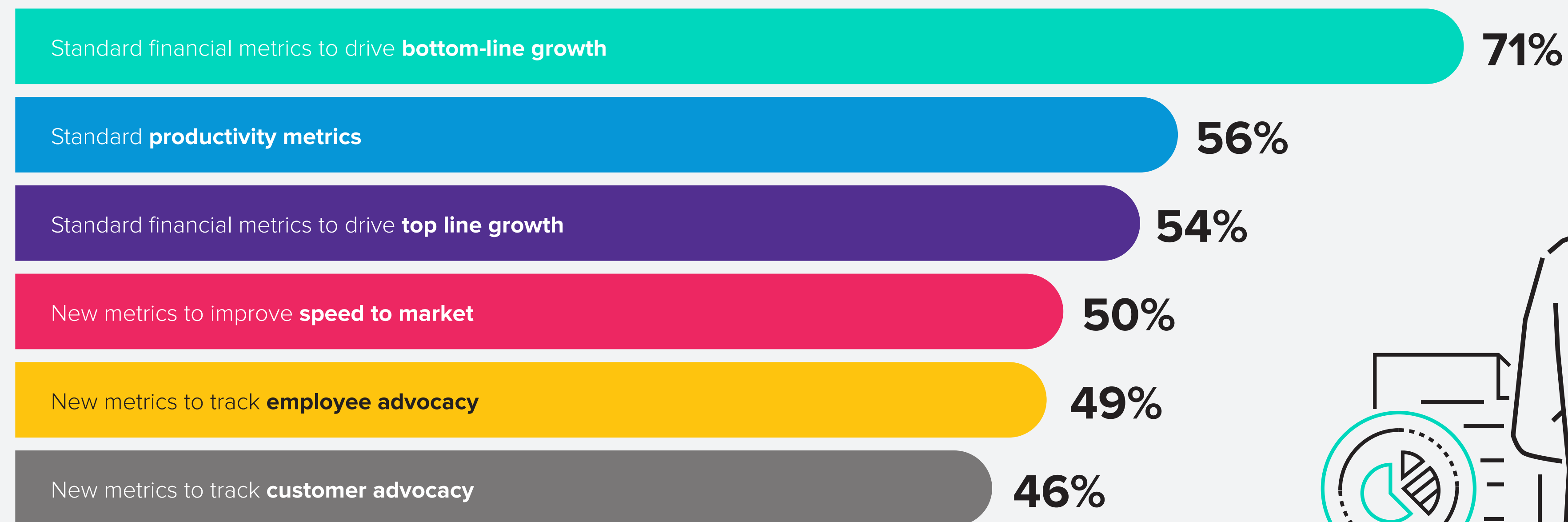**24%**

We will monetize our data
11%

Source: IDC's IT Buyer Sentiment Survey, Wave 14, November 2020, n=430

Business Application Modernization is Critical to Drive Business Outcomes

When building the business case for ERP modernization projects, customers use varying metrics to measure the business outcomes they want to achieve. These range from standard financial and productivity metrics to innovation-focused metrics like speed to market and employee and customer advocacy. In addition, standard technical metrics like uptime, performance, reliability, user acceptance, and resilience should be applied to capture success holistically.

Q: What are your metrics for building the business case for ERP modernization?

|	
Standard financial metrics to drive **bottom-line growth**	**71%**
Standard **productivity metrics**	**56%**
Standard financial metrics to drive **top line growth**	**54%**
New metrics to improve **speed to market**	**50%**
New metrics to track **employee advocacy**	**49%**
New metrics to track **customer advocacy**	**46%**

Source: IDC SAP S/4HANA Migration Survey, March 2020 N=400

Blueprint for the Digital Platform

Digital transformation needs to be built on a solid foundation: the digital platform.

The digital platform supports the intelligent core, where data-driven decisions are made. It has intelligent ERP (iERP) at its core, and it's built on a strong foundation of hybrid and multicloud services, as well as modern networking and connectivity solutions to enable ecosystem collaboration and access to data.
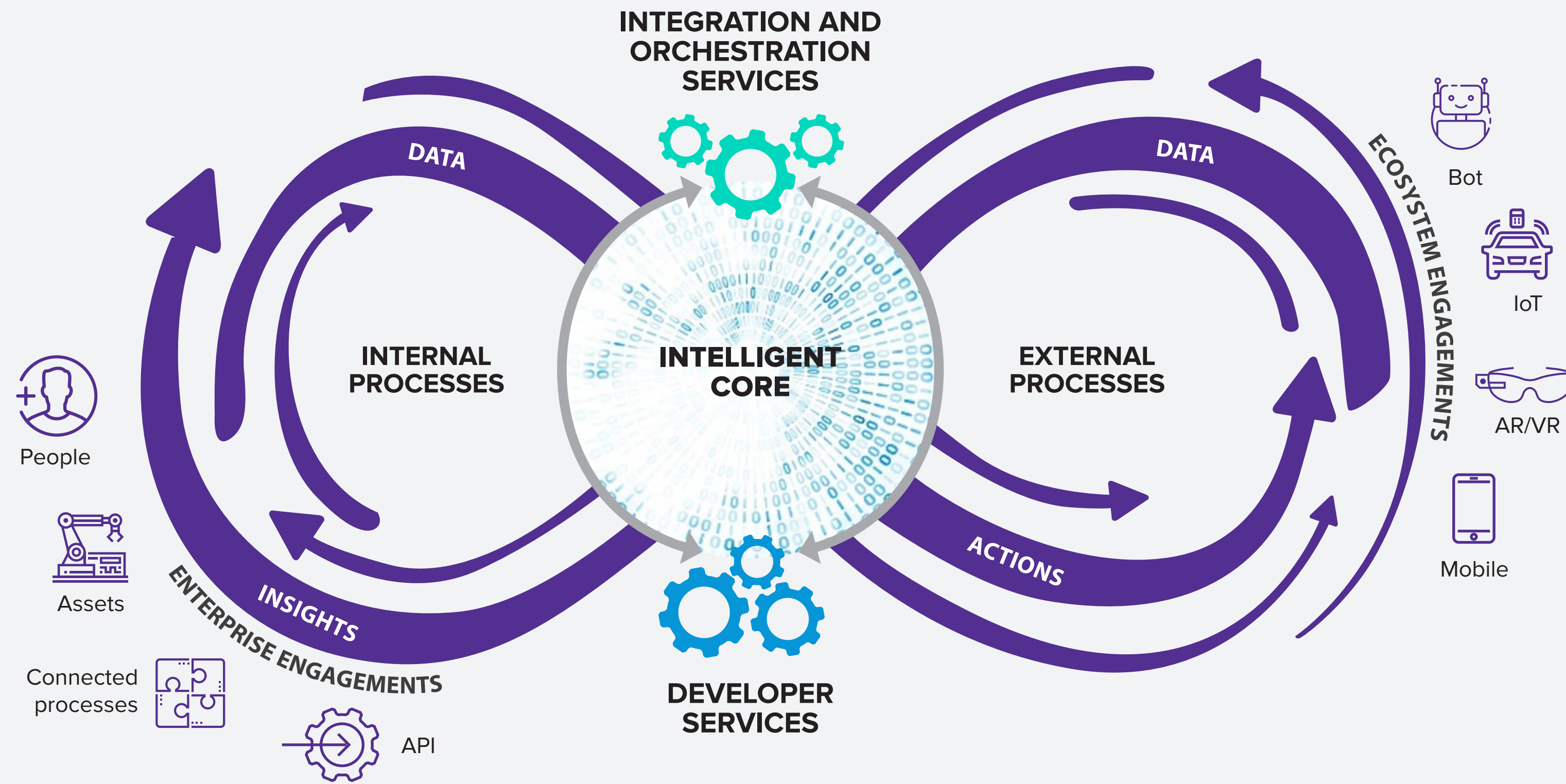

Source: IDC, 2021

Digital Transformation Requires an Agile Digital Platform, Built on Intelligent ERP, Cloud, and Connectivity

To build this platform, it is necessary for an organization to implement a digital infrastructure strategy and go beyond their own datacenter using hybrid cloud solutions. Companies build out such infrastructure via physical and virtual services, implementing hybrid and edge architectures, and by interconnecting with rich ecosystems in the locations that best suit their business needs.

Investment in these three levels of the digital platform will accelerate in 2021:
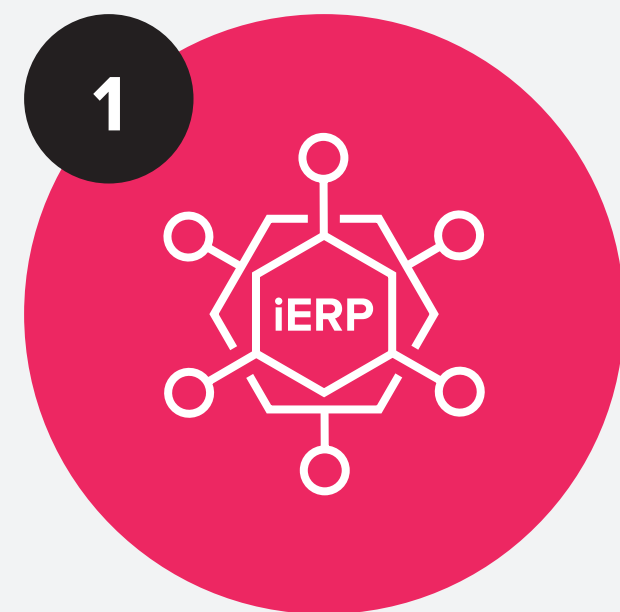
1 Modernize your business applications across the stack to provide an agile infrastructure, a modern database, and access to real-time data to build the intelligent core. **The future is iERP**.

64% of organizations will invest the same or more in business applications in 2021 compared to 2020

2 Move to a **cloud-based delivery model, either on IaaS, PaaS or SaaS** to take advantage of agile application architectures using microservices and containers and increase the agility of application response times and API-driven access to data.

67%–71% of organizations will invest the same or more in IaaS, PaaS and SaaS solutions in 2021 compared to 2020

3 **Get your network and connectivity right** to create new and secure digital customer experiences that fully support customer and ecosystem-facing business models.

72% of organizations will invest the same or more in networking and connectivity solutions in 2021 compared to 2020

Source: IDC, IT Buyer Sentiment Survey, Wave 14, November 2020, n=430

1. Choose Your ERP Modernization Strategy

52% of SAP customers have already or are planning to upgrade to **SAP S/4HANA**

Source: IDC SAP S/4HANA Migration Survey, March 2020 N=400

16,000 ww Subscribers

8,700 Live

45% New Implementation
Greenfield

10% Landscape Transformation
**Bluefield**

45% System Conversion
Brownfield

Source: SAP, Jan 2021

SAP S/4 HANA

One of the first steps on the ERP modernization journey with SAP is to decide the overall strategy. There are three options:

- **Greenfield:** New implementation of either net new customers or older companies with complex environments looking to "renew" their SAP ERP environments.

- **Brownfield:** Suitable for companies that are more recent adopters of SAP ERP (in the past 3–5 years) — these companies can generally keep the business process that they have in place as part of a selective data transition.

- **Selective Data Transition (SDT):** Involves the consolidation of multiple SAP systems into one global SAP S/4HANA system — typically in very large organizations with highly complex structures.

2. Choose Your Cloud Strategy

Where to run your ERP applications is a key question in the modernization strategy. Several options are available:

- On-premises IT, on-premises private cloud, or hosted private cloud
- Public cloud (IaaS, PaaS or SaaS)
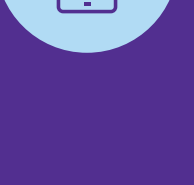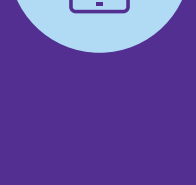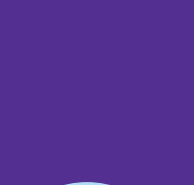- Hybrid cloud architecture

45%
**On-premises
Traditional IT**

35%
**On-premises
Private Cloud**

30%
Hybrid Cloud

14%
Public Cloud
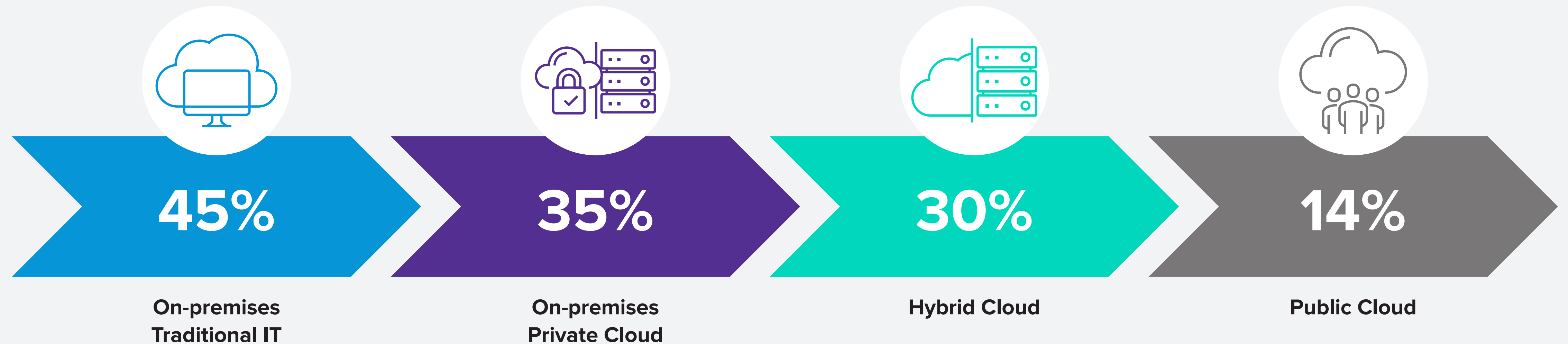
Source: IDC's 2020 annual multicloud and next-generation infrastructure survey N=1187

MISSION-CRITICAL APPLICATIONS

Individual organizations' business needs and digital transformation strategies determine which applications are mission critical. ERP systems usually are.

Non-Mission–Critical Internally Focused Workloads

Digital Apps and Services (Mainly Externally Facing)

Lift and shift to IaaS

18% of organizations choose this strategy

Move to SaaS

25% of organizations choose this strategy

Develop cloud native

21% of organizations choose this strategy

Source: IDC, IT Buyer Sentiment Survey, Wave 5, May 2020, n=430

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How to Successfully Migrate Business Applications to the Cloud

- The migration of business applications to the cloud requires not only new technology and services, but also a new organizational structure, new business processes, and new capabilities.

- As applications support business processes, with the migration of an application, business processes also move to the cloud. Therefore, it is important to make them a part of migration planning.

- When migrating business applications to the cloud, several areas need to be addressed upfront to ensure success. Security, performance (networking and connectivity), and having the appropriate skills are top of the list. Successful organizations address them early on in their cloud migration process.

These areas need to be addressed early in the cloud migration process:

Security Issues

Trust Issues

Performance Issues

Reliability Issues

Skills Shortage

Source: IDC's 2020 annual multicloud and next-generation infrastructure survey N=1187

3. Getting Connectivity and Networking Right: The Future of Connectedness Drives Business Outcomes

Connectivity and networking need to be addressed from the start of an SAP modernization project.

- CIOs need to deliver frictionless connectivity across their companies' data, consumption model, and connected ecosystem to enable easier collaboration, customer engagement, and high-value digital experiences.

- The future of connectedness continuum enables four essential business outcomes: scalable access, business continuity and reliability, real-time insights, and pervasive digital experiences.
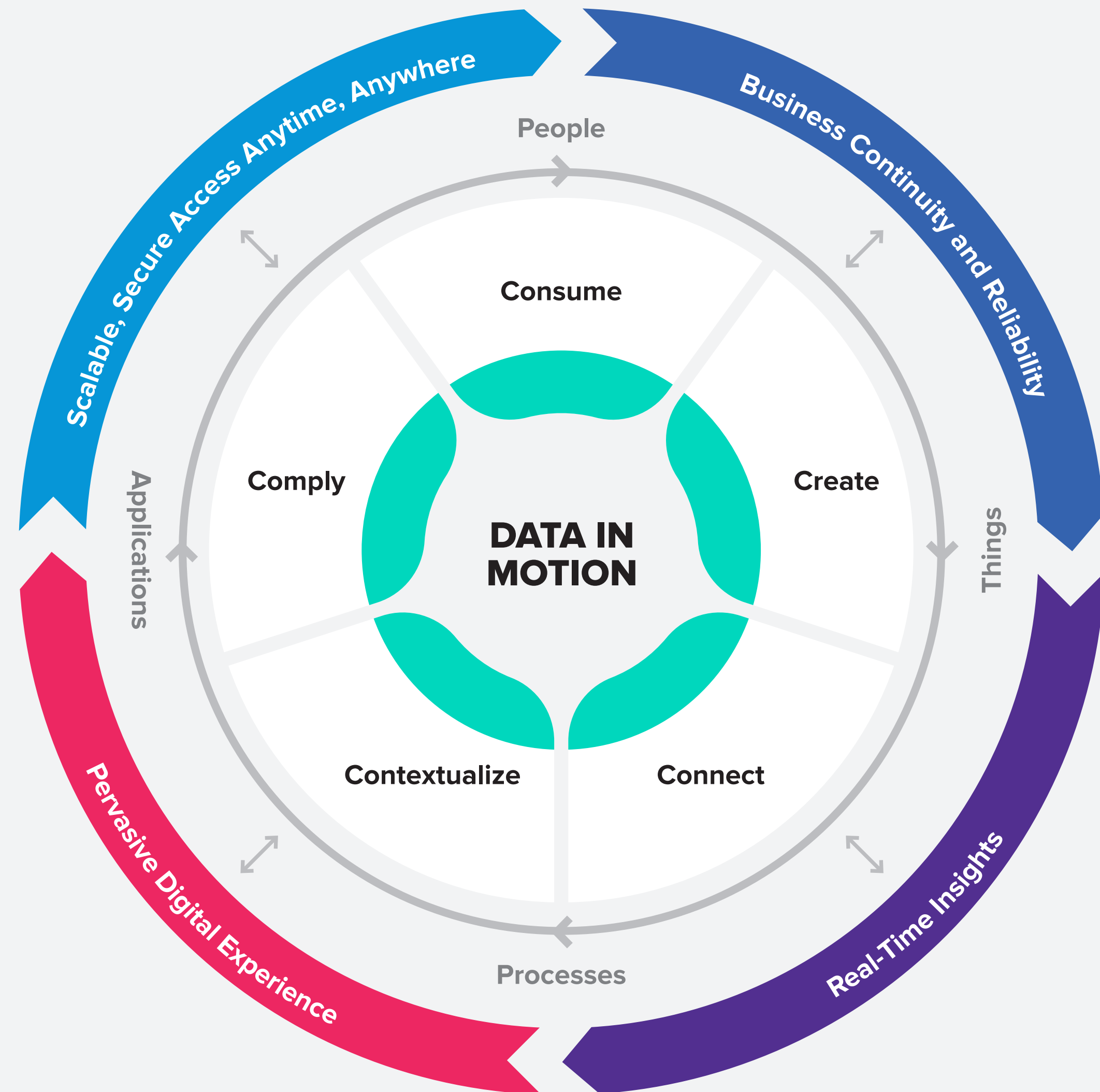
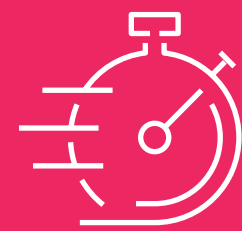# Get Networking and Connectivity Right From the Start

To achieve a more secure, reliable, and performant networking experience, you need to focus on these five aspects:

SECURITY → With enterprises shifting their core infrastructures and services to the cloud, security has become the number one priority for cloud connectivity

LATENCY → Deterministic latency is important for mission-critical services that enterprises are moving to cloud

THROUGHPUT → High throughput is another key requirement that helps customers get the best out of their cloud platform
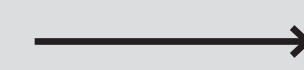
RELIABILITY → Reliability of private connectivity services makes it an obvious choice for most customers looking to get the best out of their cloud platform
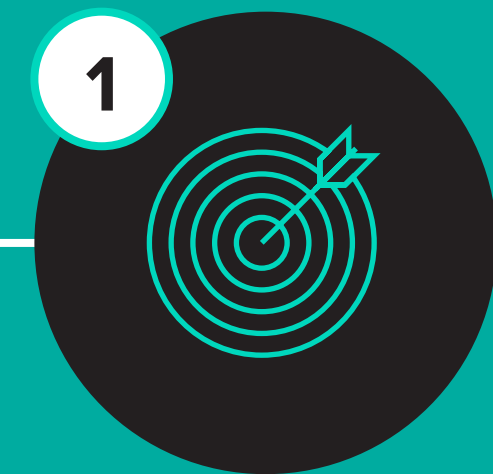
CLOUD-READINESS → Choose a connectivity provider that can support any cloud strategy you choose and has optimized networking solutions for each cloud architecture

How to Make Your SAP Modernization Successful

Align vision and strategy with business objectives

1

Align on business and IT strategy

Get buy-in across the organization

Define business outcomes for the various stakeholders: business, IT, ecosystem partners

Start planning your network connectivity strategy to support business outcomes

Build your business case

2

Build the case for change

Identify key initiatives with expected outcome, including network connectivity

Define meaningful KPIs both for business and IT

Measure user adoption and experience

Identify skills gaps and the right partners to fill these gaps

Plan your execution strategy

3

Create a transformation roadmap

Define a deployment plan

Choose your SAP transformation strategy

Choose your cloud architecture

Define your network connectivity requirements optimized for your SAP deployment model

Deliver business value

4
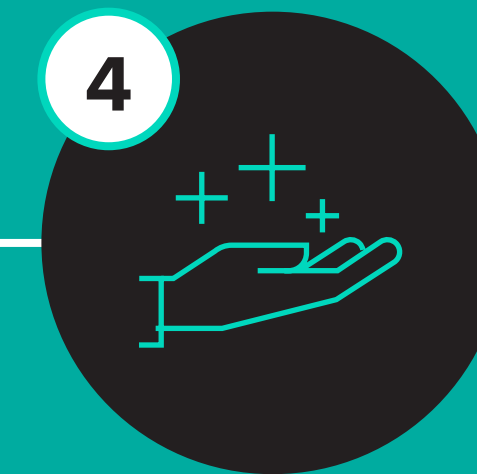
Deliver quick adoption and time-to-value

Drive continuous innovation and optimization

Optimize for resilience and innovation

Measure success according to your KPIs. Focus on user experience and network performance

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The foundational consideration to make your SAP migration successful starts with network connectivity: Consider and plan early in terms of what your network connectivity architecture will need to transform to in order to derive the optimal ROI and end-user application performance from a major move to cloud.

Delivering a Fast, Secure, and Successful Journey to the Cloud

- SAP migrations to the cloud are gathering pace. Ensuring that they are run on a best-in-class, cloud-optimized network is pivotal to delivering a great customer experience.

- Connectivity is a key enabler of successful enterprise cloud deployments and needs to be considered early in the cloud migration process.

- Colt & SAP are in the business of transforming the way the world works — Colt through the power of connectivity, and SAP through the power of business transformation as a service delivered in the cloud. Together, we enable enterprises all over the world to achieve digital transformation and cloud adoption via a faster, more secure, and more successful journey to the cloud

" Planning ahead with connectivity can make or break any IT transformation project. Spend the time and effort in identifying the right partner in line with your cloud strategy and include connectivity from day one.

Mark Hollman,
VP Market Development,
Colt Technology Services

" Together with our partners, our goal is to simplify each customer's move to the cloud and to deliver continuous innovation throughout the business transformation journey.

Uwe Grigoleit
SVP and General Manager for S/4HANA
Solution Management GTM at SAP

Visit **www.colt.net/cloud** to learn more

Contact us to request a free specialist consultation

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