



Maximizing the Value of Your SAP Data with Google Cloud and Colt

FEBRUARY 2023

Authors:

Rahiel Nasir, Associate Research Director,
European Cloud Practice

Carla Arend, AVP, Cloud Research, Europe

IDC #EUR149974522

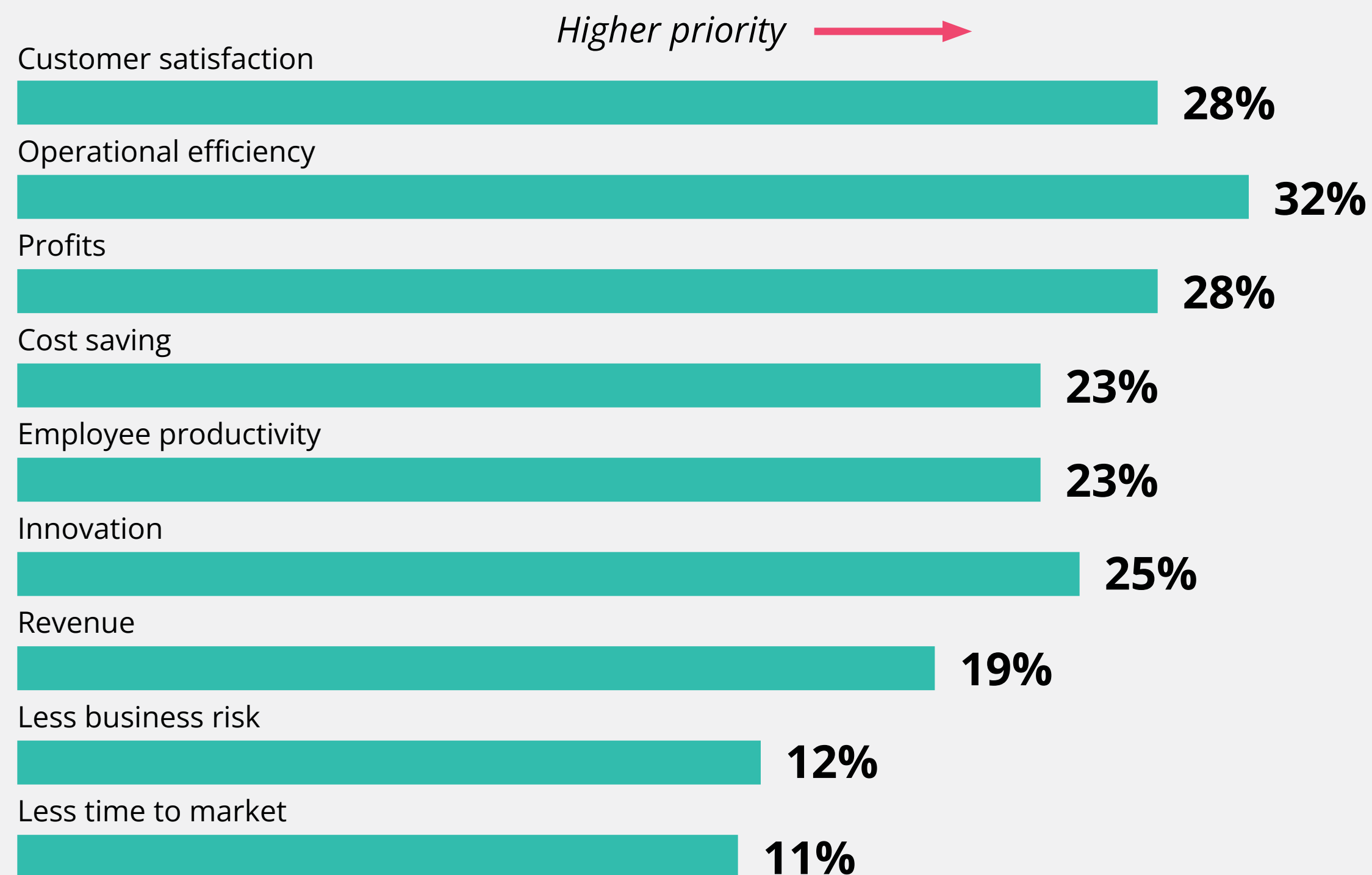
An IDC InfoBrief, Sponsored by



Growth-oriented business outcomes are top priorities for European organizations in 2023 and beyond

European businesses are all set to reignite their future as digital enterprises. Of the nine top business priorities shown below, six are growth-oriented objectives such as customer satisfaction, operational efficiency, innovation, profits, and revenue.

Q. What are the top high-level business priorities for your organization?



Focus on top-line acceleration:

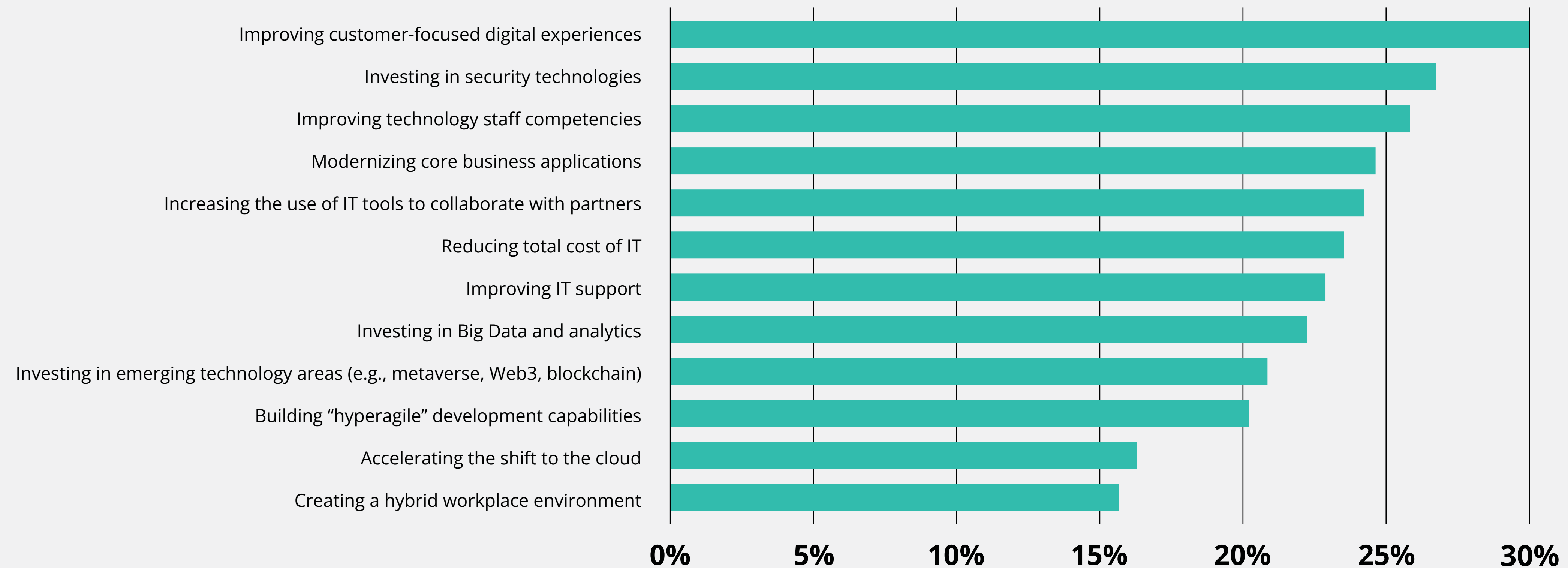


70% of CEOs of large European organizations will be incentivized to generate at least **40% of their revenues from digital by 2025** — driving more than **€4 trillion** in gross value added (GVA) in Europe.

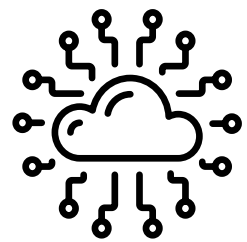


Top technology priorities for CEOs in 2023: Improving CX, investing in security, enhancing skills

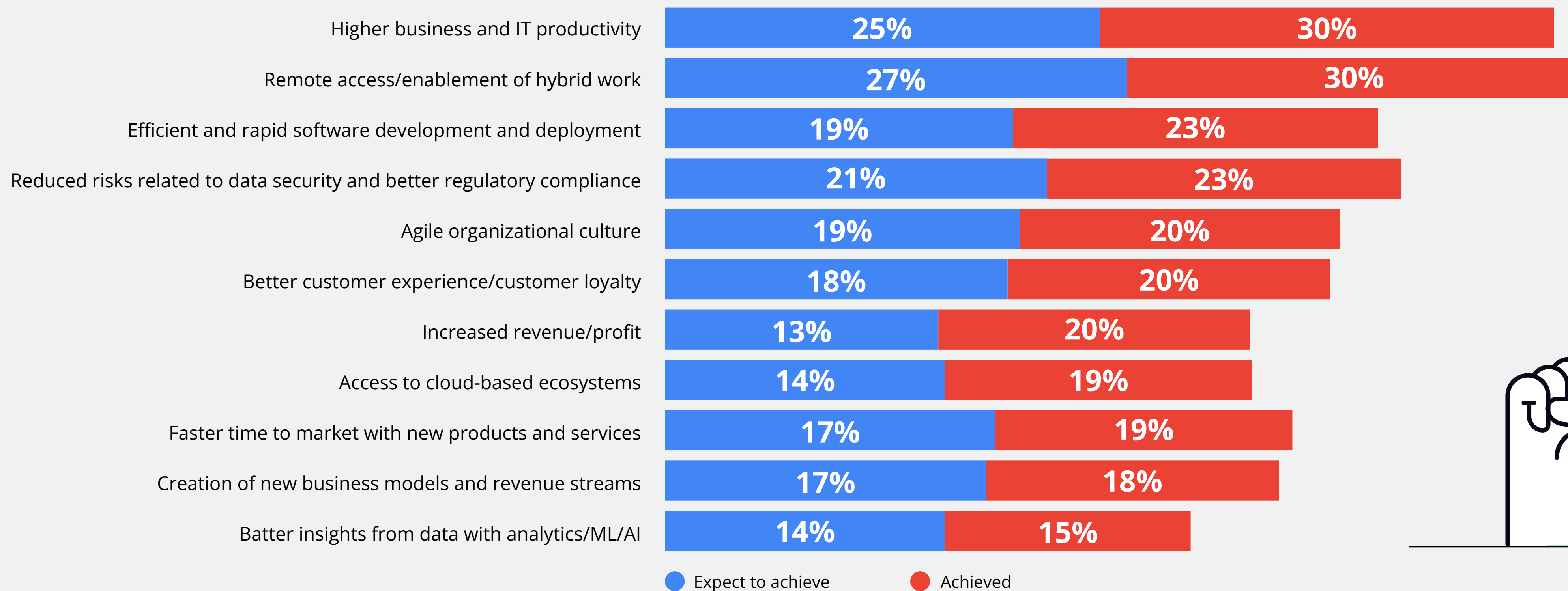
Q. What are your organization's top technology priorities for the next 12 months?



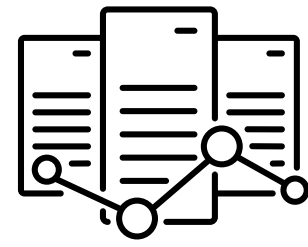
App modernization is crucial to drive successful digital business outcomes



Modernizing enterprise applications is an integral part of digital transformation and is supported by cloud. More than **78%** of organizations in Europe currently use cloud to some extent to run their SAP workloads. By migrating to public cloud, these organizations have achieved the following positive business outcomes:

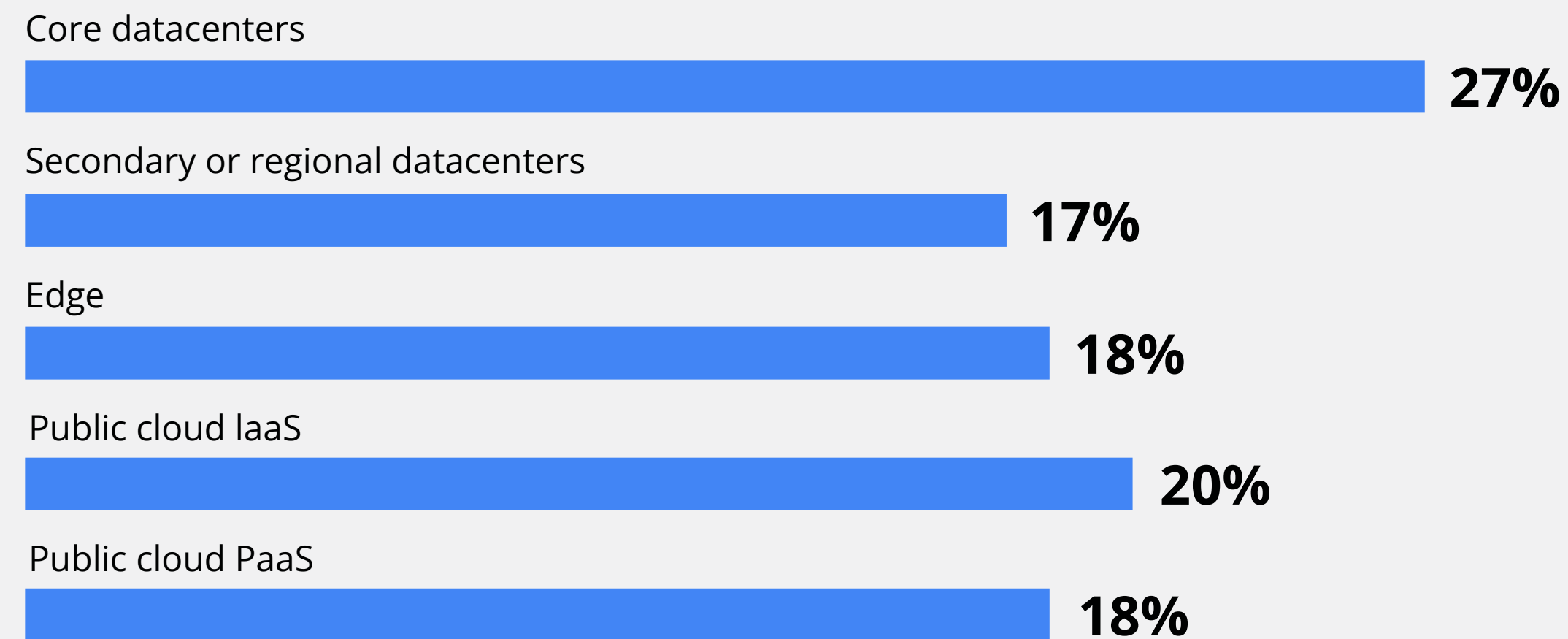


Workloads are split between locations



As well as helping to drive business outcomes, customers are increasingly modernizing their apps to run workloads in **distributed** locations, such as edge, datacenters, and various cloud environments.

Q. Approximately how much of your organization's total infrastructure spending will be split between the following environments in 2023?

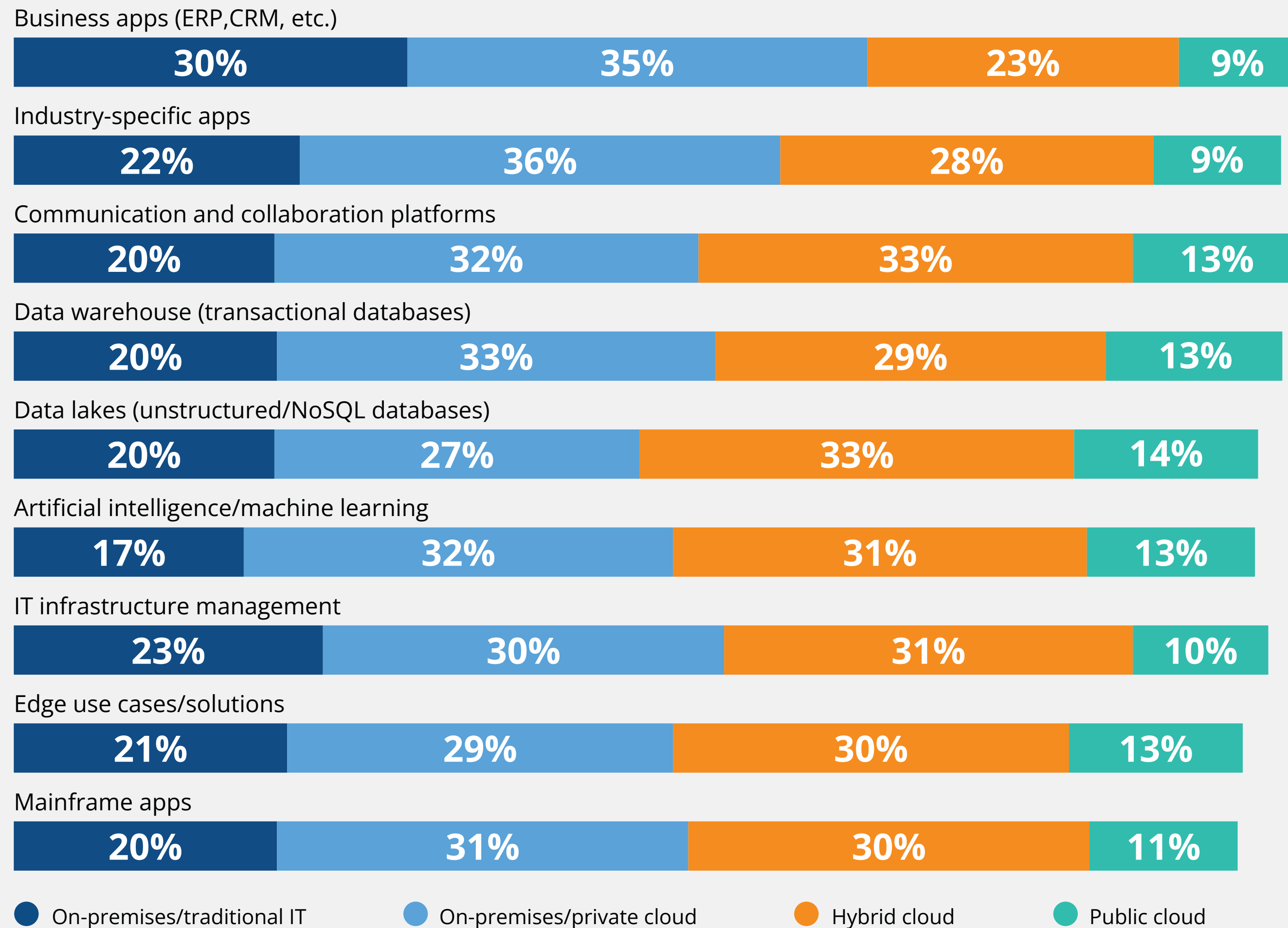


Distributed network architecture is one of the key enablers in all this. When choosing a cloud project partner

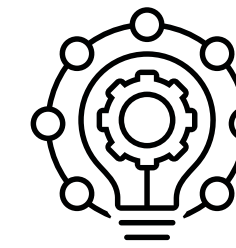
21%

of organizations look for those that can deliver openness: workload portability between clouds and/or integration with on-premises IT infrastructure.

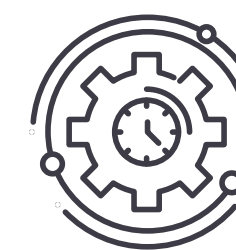
How are organizations delivering specific workloads?



Most IT is currently still on premises, which could include private cloud infrastructure in an organization's own datacenter facility.



But by modernizing their apps to run in distributed environments, organizations can take advantage of greater flexibility.



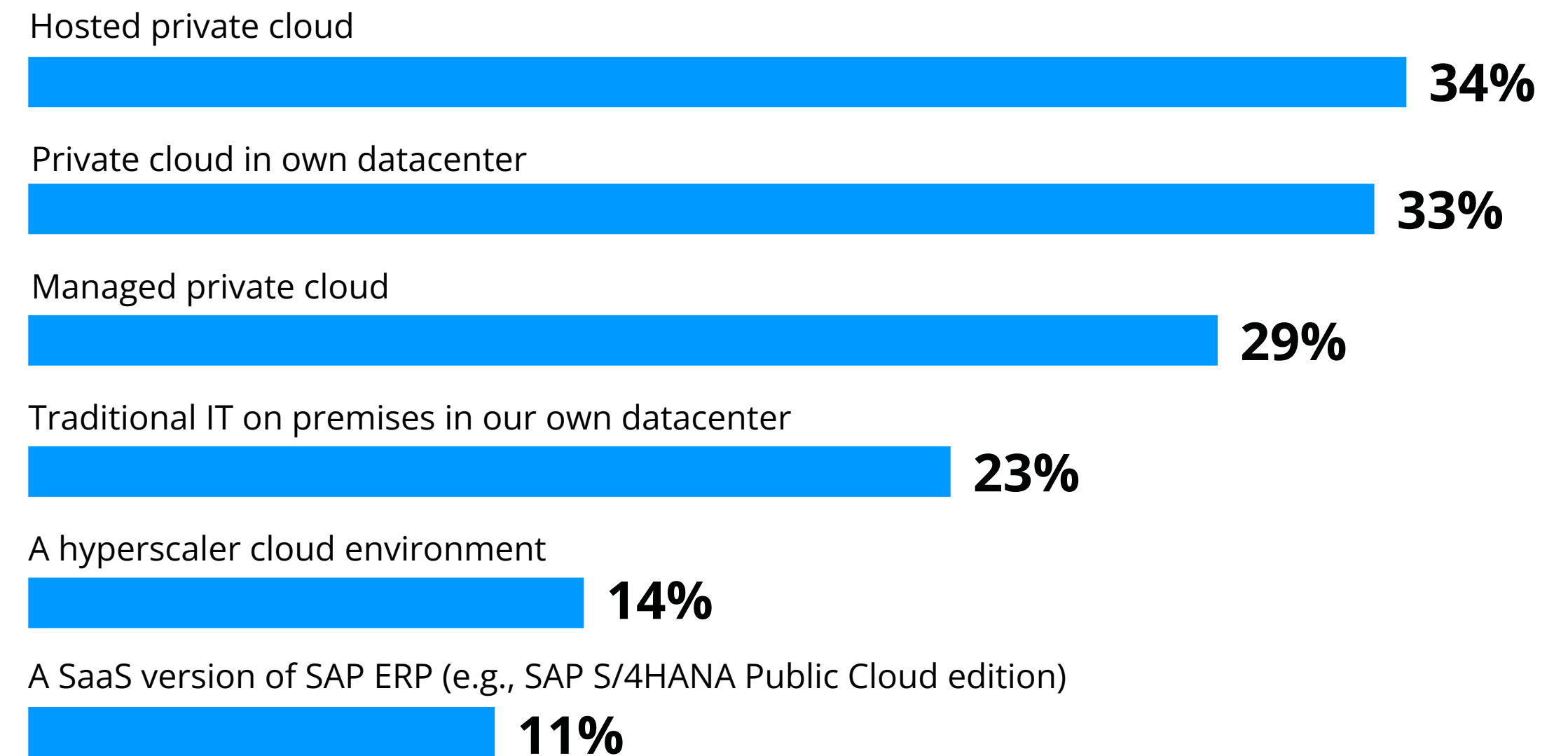
They can leverage **best-of-breed** services from different providers, **reduce** vendor **lock-in**, more easily satisfy regulatory and **compliance** needs, and **optimize costs**.

SAP workloads have shifted to external service providers and hybrid cloud

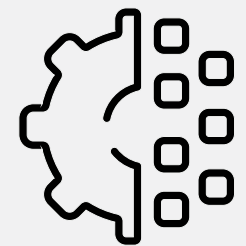
- SAP modernization projects are based on updating business processes and a technical modernization of the IT platform.
- In terms of the latter, SAP workloads have moved out of the enterprise datacenter and into third-party managed datacenters (hosted private cloud, hybrid and public cloud).



Q. Which of the following infrastructure options does your organization currently utilize for existing SAP ERP instances? (Choose all that apply)



What to look for in a public cloud provider

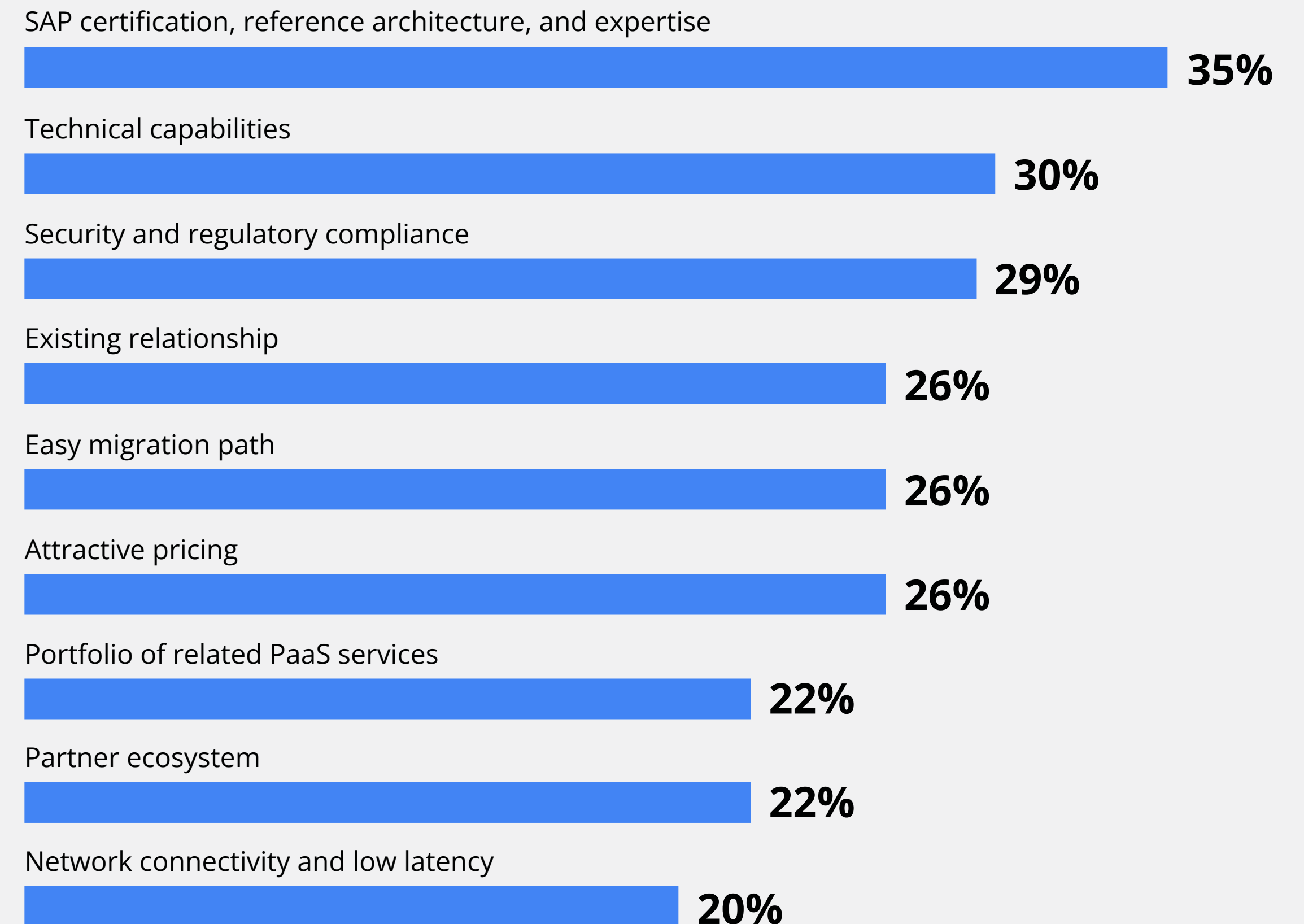


SAP applications need to be modernized as part of digital transformation initiatives. Using public cloud is an increasingly popular option here.

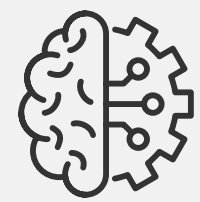
- Choosing the right cloud partner underpins the success of the digital transformation **journey**.
- The process begins with identifying the **required business outcomes** prior to any cloud migration.
- The focus then shifts to the ongoing **management and operation** of all IT resources, implementing **governance** and other components (FinOps, for example), and then ensuring you have the capabilities needed to support **innovation and scalability**.



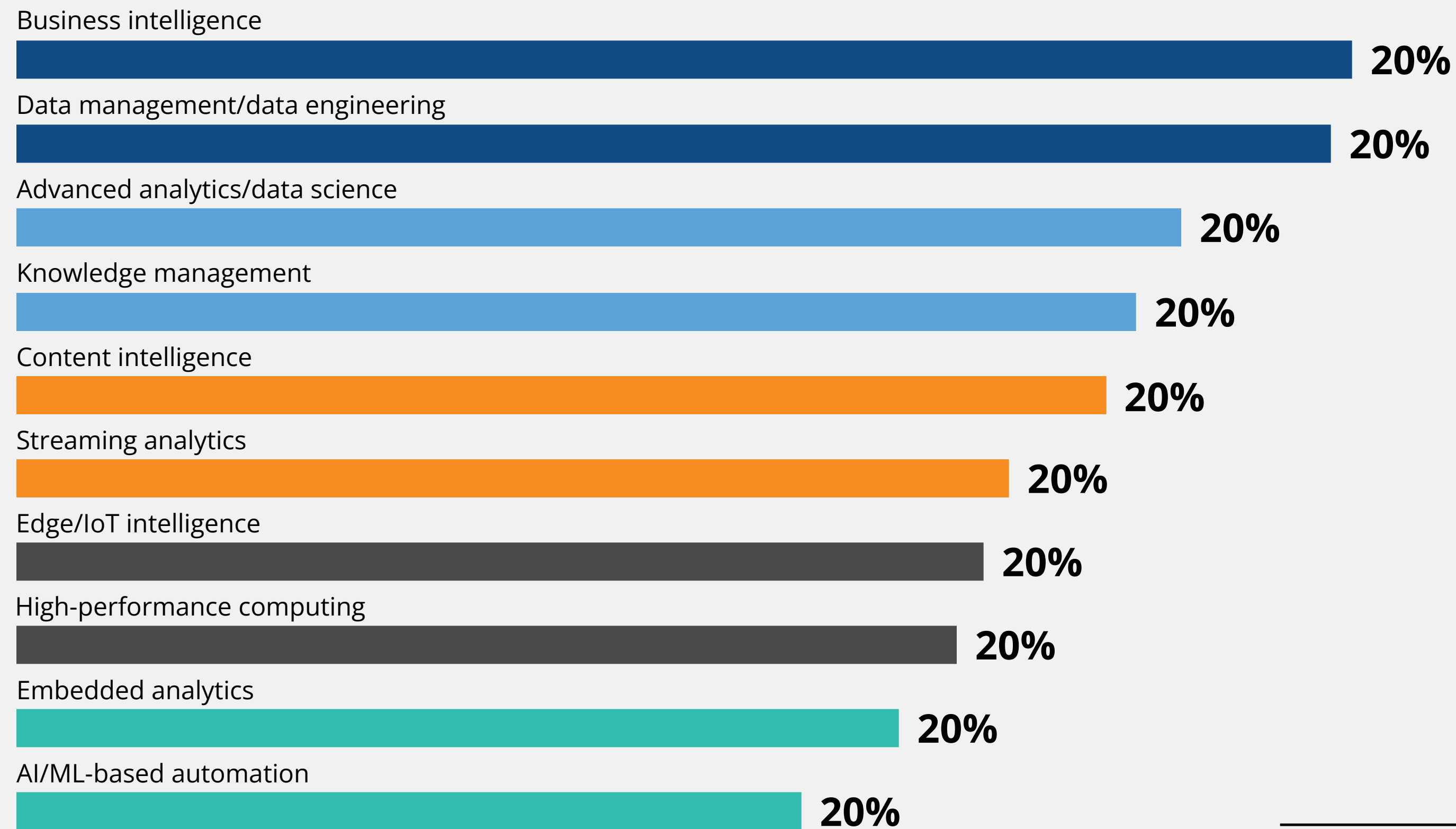
As well as these overarching needs, organizations also consider the following when selecting cloud providers for SAP migrations ...



App modernization will support organizations that want greater insights from their data

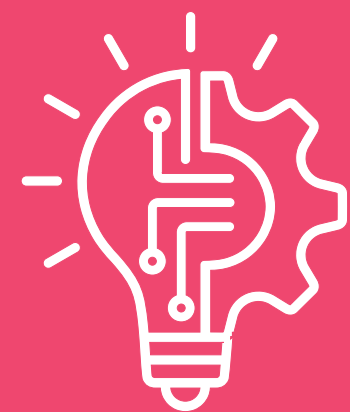


When asked which enterprise intelligence technologies they were investing in, most cited **business intelligence**, **data management**, and **advanced analytics**. **High-performance computing** and **AI/ML-based automation** are the priorities for around 15% of organizations.

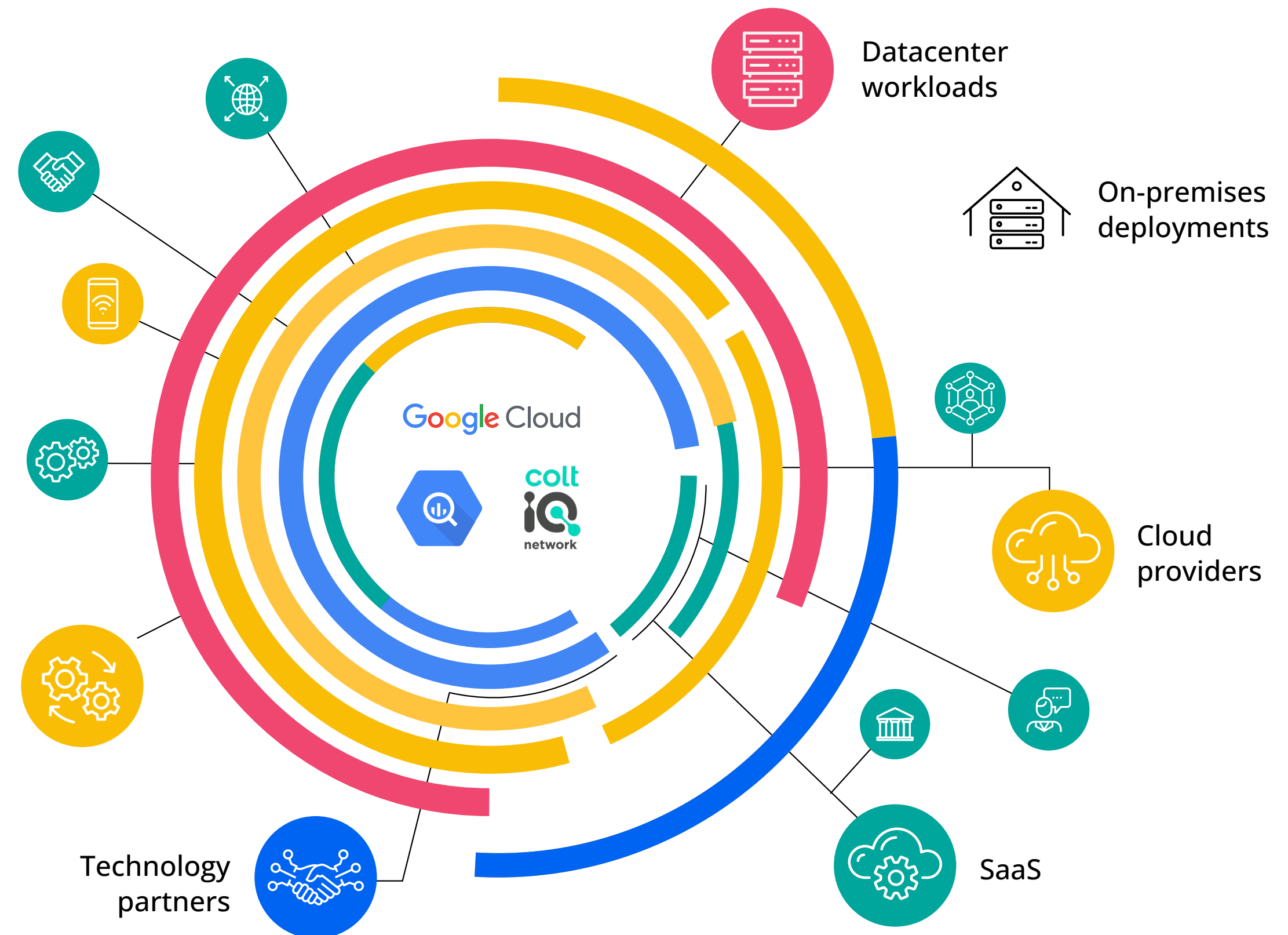


The connected digital fabric

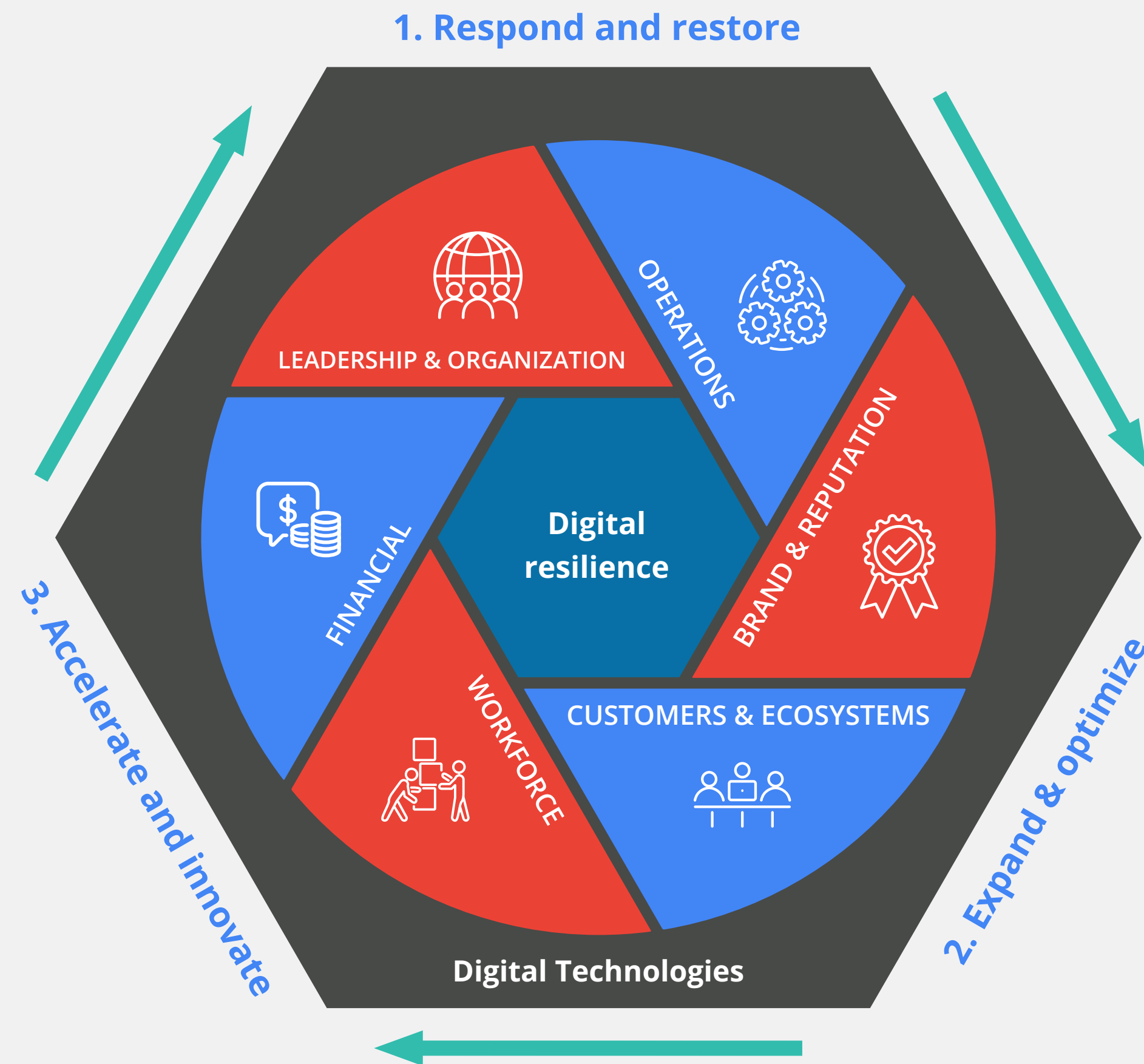
- SAP integrates with public cloud across a **seamless infrastructure fabric** to support transformation initiatives and innovation.
- This opens the door to a **wealth of data** that is stored and managed in the most appropriate workload venue.
- The result is a **single business process** that is all stitched together by the **network**.



Organizations also need to consider another factor when it comes to DX and innovation: **digital resilience**.



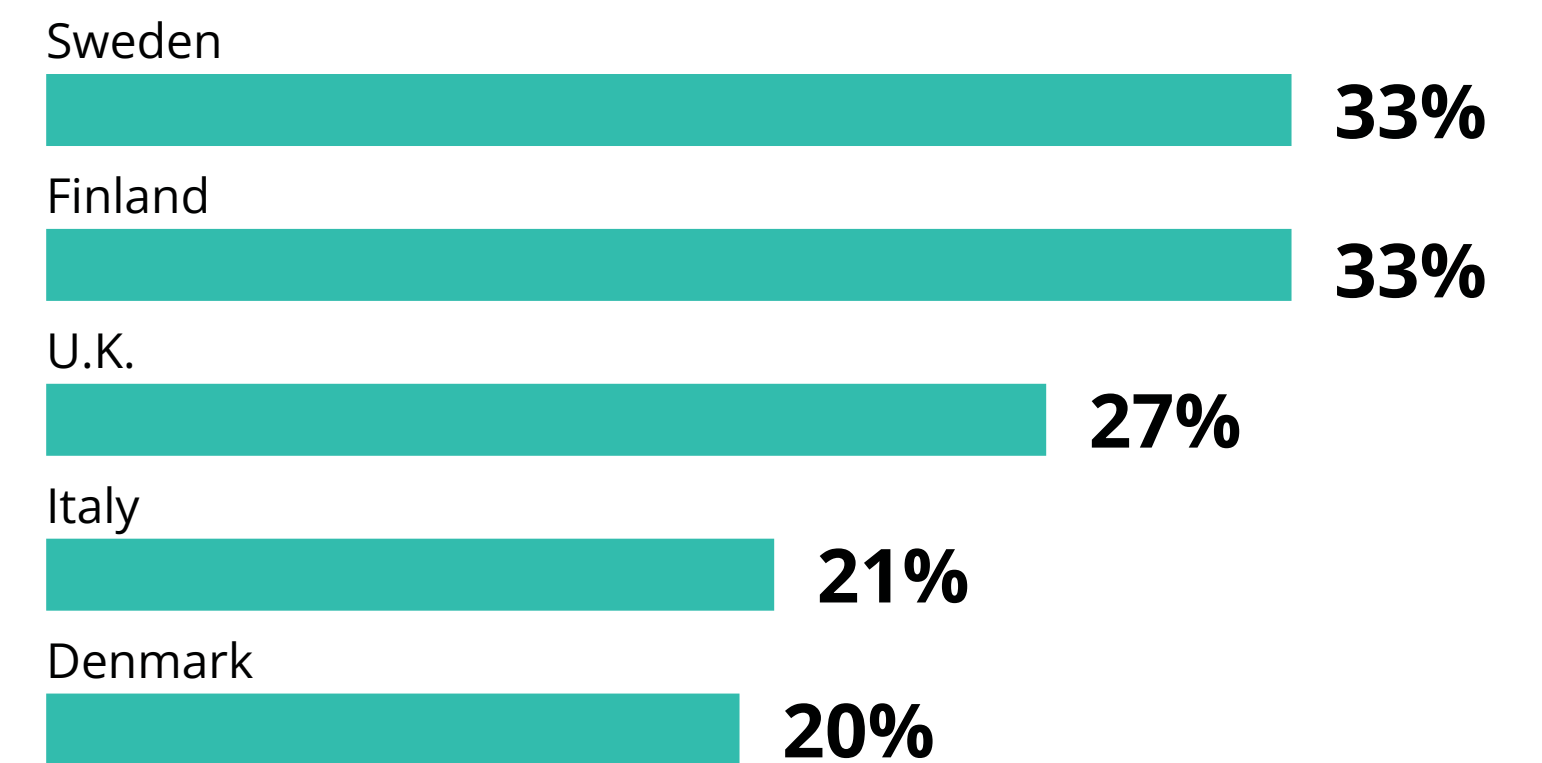
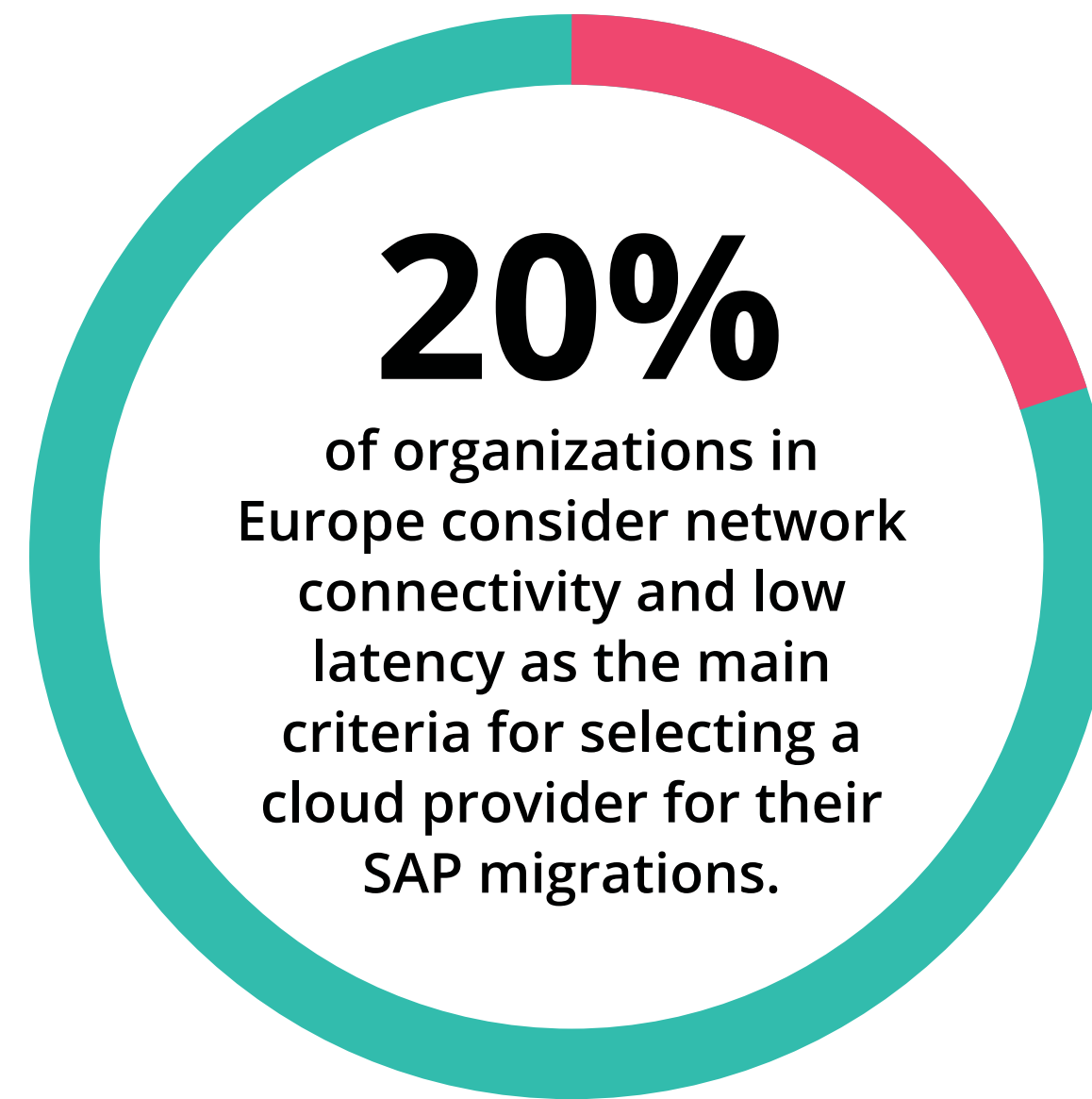
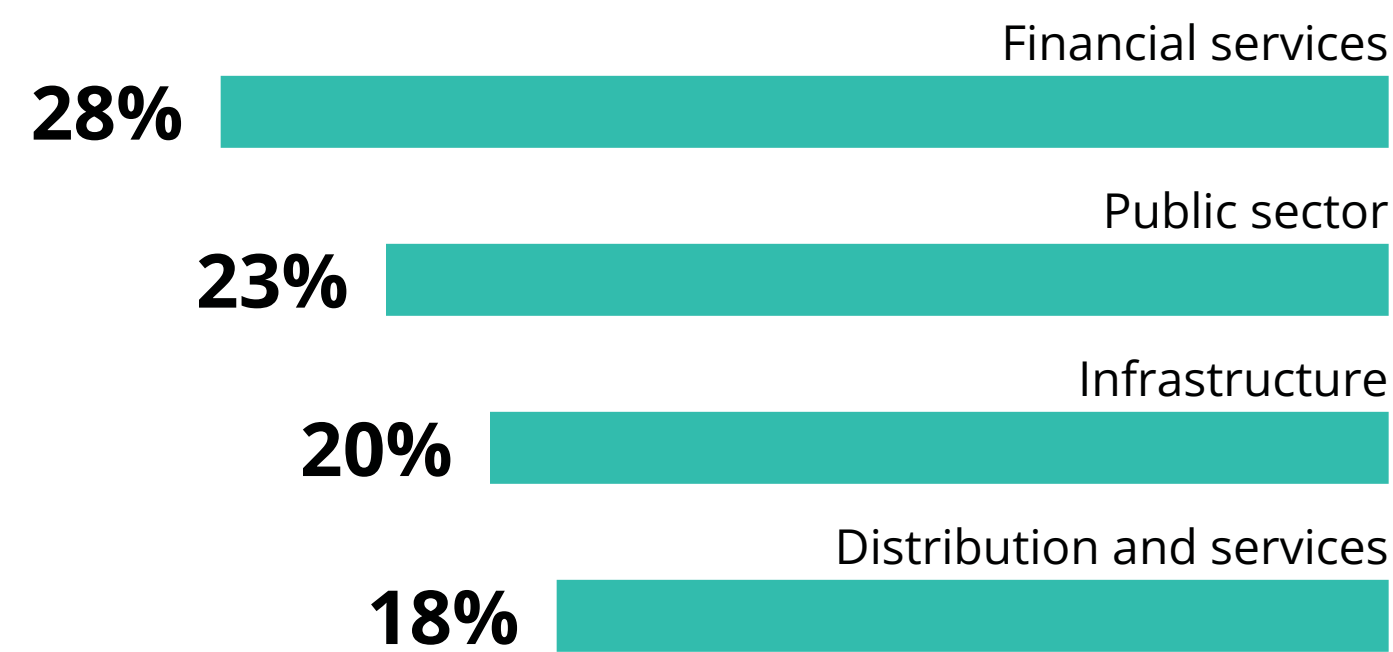
Digital resilience: the foundation for digital innovation



Digital resilience is an organization's ability to rapidly adapt to business disruptions by leveraging digital capabilities to not only restore business operations but also capitalize on the changed conditions.

- Digital resilience is a new approach to enterprise resilience, bringing together the business and IT worlds to act as one.
- Public cloud offers resilience as many providers will leverage facilities for backup and redundancy, either in-country and/or across regions.
- Public cloud also offers flexibility, enabling organizations to scale up — and down — with on-demand services and resources.
- Reliable and high-quality enterprise-grade connectivity is a vital component for digital resilience.

The network: a key factor for digital resilience and overall cloud success



Of that **20%**, most are in Sweden and Finland, and in the financial services sector across Europe.

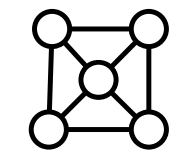
Recommendations



Organizations should identify what business outcomes they aim to achieve prior to a digital transformation strategy. Engaging partners for guidance from the outset will prove beneficial throughout the DX journey.



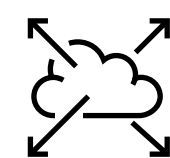
App modernization is crucial to drive successful business outcomes. That includes SAP, which is a core enterprise app and is increasingly being shifted to third-party providers and hybrid cloud.



Connecting SAP to a public cloud provider enables access to a universe of data and workload venues; this gives an edge to businesses seeking to leverage greater insights from their data.



It also results in a single business process that gives organizations greater agility, flexibility, and scalability. These are all essential attributes for digital innovation.



Digital resilience is the foundation for digital innovation, and public cloud offers a good fit here.



The network is a key factor for digital resilience and overall cloud success. Many public cloud migrations run the risk of failure because of poor connectivity and network resources that are often left as an afterthought in the DX plan.



Message from the sponsor

Secure and reliable connectivity to the Google Cloud

Organizations should identify what business outcomes they aim to achieve prior to a digital transformation strategy. Engaging partners for guidance from the outset will prove beneficial throughout the DX journey.

Colt is a trusted Google Cloud Interconnect partner. We provide Ethernet connectivity services (with an option managed router add-on) to the Direct Connect private network access points and seamless integrations of Google Cloud Interconnect into our SD WAN and IP VPN network solutions.

With our cloud connectivity solutions, customers can choose to connect to a single cloud provider (point to cloud) or to multiple cloud providers (point to multicloud). Our solutions also support cloud-to-cloud connectivity options.

Colt Dedicated Cloud Access service is also available on demand to disrupt and transform the user experience. Thanks to SDN technology, our customers benefit from real-time ordering, provisioning, and service flexing through a self-serving portal.

For more information, please visit <https://www.colt.net/product/direct-connect/google/>.



About IDC



International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

IDC UK

5th Floor, Ealing Cross,
85 Uxbridge Road
London
W5 5TH, United Kingdom
44.208.987.7100
Twitter: @IDC
idc-community.com
www.idc.com

Corporate Headquarters

140 Kendrick Street,
Building B, Needham,
MA 02494 USA
508.872.8200
www.idc.com

Copyright Notice

Any IDC information or reference to IDC that is to be used in advertising, press releases, or promotional materials requires prior written approval from IDC. For permission requests contact the Custom Solutions information line at 508-988-7610 or permissions@idc.com. Translation and/or localization of this document require an additional license from IDC. For more information on IDC visit www.idc.com. For more information on IDC Custom Solutions, visit http://www.idc.com/prodserv/custom_solutions/index.jsp.

Corporate Headquarters: 140 Kendrick Street, Building B, Needham, MA 02494 USA P. 508.872.8200 www.idc.com

Copyright 2023 IDC. Reproduction is forbidden unless authorized. All rights reserved.