Release

HCL research reveals $39 billion of SAP landscape could move to the cloud in the next two years

Global survey reveals integration and security as biggest inhibitors towards speedier SAP cloud migration

UK, N. America, Australasia, 12th June 2014 - Research released today by HCL Technologies has revealed that $39 billion of SAP landscape could move to the cloud in the next two years, as large enterprises plan to migrate 46% of their existing SAP on-premise environment. The global survey of 100 executives from large enterprises focused on their current and future plans to deploy SAP applications and infrastructure in the cloud. It revealed that 45% of organizations have increased their SAP cloud investments over the past year and that they expect to nearly double these investments in the next 12 months. Migration isn't just being motivated by potential cost savings, as the research highlights business agility and speed (59%), access to new technologies (46%) and improved customer satisfaction (43%) as big drivers.

"These findings clearly demonstrate that there is a market shift towards moving a greater proportion of existing SAP environments to the cloud," said **Steve Cardell, President of Enterprise Services and Diversified Industries, HCL Technologies.** "Improved business agility and speed is undoubtedly a big driver, as is the growing maturity and availability of new cloud-based technologies. For those organizations looking to refresh their existing estates, reduce cost and access HANA-powered applications SAP's cloud offerings are an attractive proposition. In fact, 56% of organizations stated they expect to use SAP HANA Enterprise Cloud in the future."

When asked about the biggest inhibitors to moving more SAP applications and infrastructure to the cloud 30% of respondents noted integration challenges with existing systems, while 36% cited security concerns. This isn't surprising considering 88% of organizations expected to adopt a hybrid model, while 45% stated that integration into their existing landscape had been their biggest cloud implementation challenge to date. The survey also showed that organizations are in need of help when it comes to their cloud strategies, with only 18% stating they had a comprehensive cloud strategy.

"Cloud is undoubtedly disrupting traditional enterprise architectures. Organizations now have to contend with a multi-cloud environment in which they need to integrate SAP and non-SAP applications into their existing landscape. This has ultimately made integration and cloud orchestration a key concern. Only by taking a lifecycle view of cloud enablement, from assessment right through to service delivery, will organizations be able to overcome integration issues and truly realize business benefit," added **Steve Cardell.**

The survey also revealed that SAP's Cloud Extension policy, which enables the partial termination of existing on-premise software licenses and associated maintenance costs, has made moving to the cloud a more attractive prospect for nearly three-quarters (74%) of organizations. These findings are perhaps unsurprising given that 30% of organizations said their existing investments in on-premise and legacy systems had been an inhibitor to moving more SAP applications and infrastructure to the cloud.

The global survey of 100 large enterprises with revenues in excess of $1 billion was commissioned by HCL Technologies and conducted by independent research company Vanson Bourne.

To download the full executive summary please visit http://www.futureofsap.com/cloud-survey-brochure/

About HCL Technologies

HCL Technologies is a leading global IT services company working with clients in the areas that impact and redefine the core of their businesses. Since its emergence on global landscape after its IPO in 1999, HCL has focused on 'transformational outsourcing', underlined by innovation and value creation, offering an integrated portfolio of services including software-led IT solutions, remote infrastructure management, engineering and R&D services and Business services. HCL leverages its extensive global offshore infrastructure and network of offices in 31countries to provide holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare & Life sciences. HCL takes pride in its philosophy of 'Employees First, Customers Second' which empowers its 90,190 transformers to create real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US$ 5.2 billion, as on 31st March 2014 (on LTM basis). For more information, please visit **www.hcltech.com**

For details contact

Elka Ghudial
HCL Technologies, EAS Division
+44 (0) 7973 567 131
elka.ghudial@hcl.com

Ajay Davessar
HCL Technologies Ltd
+911202441259
ajay.davessar@hcl.com

