RELEASE

Research commissioned by HCL reveals large enterprises globally could save nearly $30 billion through SAP consolidation

Global survey reveals that businesses are running on average five separate instances of SAP

Global release – UK, N. America, APAC ME, 9th May 2013 - Research released today by HCL Enterprise Application Services (EAS) has revealed that globally large enterprises could save nearly $30 billion in total through consolidating their instances of SAP. The global survey of 225 CIOs focused on their organizations' current and future usage of SAP, revealing that on average they had five separate instances of SAP operating across their business. In fact, more than a third (39%) stated they were running in excess of six instances. The findings also showed that on average the cost per user, per year of running SAP was $1,518 and by moving to a single instance large enterprises could potentially make savings of up to 25%.

"Many large enterprises have a global SAP footprint, yet have been unable to truly operate in a truly unified manner due to having a fragmented software landscape. For some, there are legitimate reasons for multiple instances such as country-specific requirements. However, for a significant majority it has been a result of mergers and acquisitions or multiple implementations across different areas of the business, which have never been rationalised or consolidated. As the research shows, such an environment can be very costly to support," said **Steve Cardell, President of Enterprise Application Services at HCL.** "Whilst it may seem surprising, given the inherent logic and financial business case, there are clearly very substantial political and operational hurdles that can stand in the way of companies achieving a single instance. So we are now seeing large companies either making top-down decisions to drive through such changes or deciding it is the wrong battle to fight so instead are looking to improve integration between systems."

The research also highlighted the prevalence of legacy SAP versions still being used as core operating platforms. The latest version of SAP (ECC 6) is only being used by just over a third (37%) of organizations, while more are using ECC 5 (54%) and SAP 4.7 (44%). This is a further indication that many enterprises have adopted a piecemeal approach towards upgrading their SAP environments as they have expanded their operations.

The survey went on to find out how large enterprises were planning to use SAP as part of their future operational IT strategy. When asked about their plans to use in-memory computing, more than three-quarters of CIOs said they planned to or had already deployed such technology. Unsurprisingly, considering SAP's push around SAP HANA, the vast majority (80%) of respondents said that the company's in-memory technology will play a major role.

An increasing number of large enterprises were also embracing cloud services according to the research. Just under three-quarters (73%) of CIOs said that they had implemented cloud services in some way or form, and 74% said that SAP technology would play a significant role. Mobility was also a big area of focus for the majority of enterprises with 93% of CIOs saying they were planning to or already had a mobility strategy in place. Of those surveyed, more than half (53%) stated that SAP technology would be the cornerstone of their strategy.



"Trends such as mobility, cloud and Big Data are increasingly becoming catalysts for change at many organizations. Consequently, we are starting to see the evolution of traditional enterprise environments with users accessing the SAP technology on-premise, on-demand and on-device. At the same time in-memory computing promises to be a real game changer for many large enterprises. Products such as SAP Business Suite on HANA promise to reduce TCO and deliver efficiency savings to users by enabling them to do things faster and at a greater volume. Certainly, having fewer instances of SAP will make this journey a lot smoother for many organizations," said **James Riley, Global Head of Innovation at HCL EAS**.

The global survey of 225 large enterprises with revenues in excess of $1 billion was commissioned by HCL EAS and conducted by independent research company Vanson Bourne.

To download the full executive summary please visit: www.thefutureofsap.com

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EAS is renowned for its global ability to help clients define more ambitious strategies, build more effective organizations and shape more successful futures.
For more information, please visit: www.hcltech.com/enterprise-application-services

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