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<u>DSAG-ASUG Survey 2021</u>

Cloud services with increasing acceptance, interest in RISE with SAP

- More than 40 percent of companies are already live with SAP S/4HANA or have started relevant projects

- DSAG members' general attitude toward the cloud is positive, with good experiences primarily in the non-SAP space

- One third of the DSAG members surveyed are familiar with RISE with SAP

Walldorf, Germany, 07.22.2021 – According to a joint survey by the Americas' SAP Users' Group (ASUG) and the German-speaking SAP User Group (DSAG) in April and May 2021, uptake of SAP S/4HANA continues to increase among members of both groups. Among DSAG members, the S/4HANA on premise approach dominates. There is widespread agreement on licensing models and costs, with all respondents seeing this as the biggest challenge in using cloud services. Among ASUG members, 24 percent view the RISE with SAP offering as being somewhat of value or high in value, while 12 percent of DSAG members say the same.

In a recent joint survey by the Americas' SAP Users' Group (ASUG) and the German-speaking SAP User Group (DSAG), 24 percent of participating ASUG and DSAG members said they are already live with S/4HANA, while a further 21 percent (ASUG) and 20 percent (DSAG) are currently going through the transformation process. Furthermore, 37 percent of DSAG members (30 percent of ASUG members) are planning a relevant project but have not yet started it.

Among those who answered this question, more than twice as many DSAG members (57 percent) than ASUG members (27 percent) are deploying S/4HANA on

premise or plan to do so. In terms of cloud environments, the number of members taking the private cloud approach is almost identical, with 23 percent at DSAG and 24 percent at ASUG. Meanwhile, 12 percent of DSAG members are using managed cloud services, versus 19 percent of ASUG members. But in the public cloud, S/4HANA continues to play a minor role.

Sustainable concepts and persuasion still needed
Among ASUG members, 74 percent have a somewhat positive to very positive view of the cloud. But this number was only 46 percent among DSAG members. "Support for cloud solutions continues to rise in German-speaking countries, although not to the same extent as in the Americas' SAP Users' Group," notes Jens Hungershausen, DSAG Chairman. "This could be to do with the reservations many businesses in German-speaking countries have about putting sensitive company data in the cloud. Sustainable concepts and a little persuasion is still needed here."

When it comes to experiences with cloud solutions, 57 percent of ASUG members are somewhat or very satisfied with solutions in the SAP space, compared with only 30 percent of DSAG members. Meanwhile, 21 percent of DSAG members have a somewhat or very negative view, while this number is five percent of ASUG members. In the non-SAP space, 65 percent (ASUG) and 60 percent (DSAG) are somewhat or very satisfied with the cloud solutions they've deployed. And only two percent of ASUG members and seven percent of DSAG members have a somewhat or very negative view. "We were surprised by the fact that only around one-third of DSAG members are happy with their cloud solutions in the SAP space, but 60 percent are happy with cloud solutions in the non-SAP space. This highlights that SAP has not yet done enough to solve issues like integration, licenses, and security. Providers in the non-SAP space are clearly way ahead," explains Jens Hungershausen.

Key challenge: licensing models and costs
Both user groups cited the biggest challenge in using cloud services as licensing models and costs (DSAG: 72 percent, ASUG: 41 percent) – followed by data privacy and information security (DSAG: 53 percent, ASUG: 25 percent) and a lack of

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integration (DSAG: 41 percent, ASUG: 15 percent). "The findings show how important it is to offer straightforward access to cloud services and their pricing and service descriptions in the context of licenses. And these things will continue to play a bigger role due to the many different metrics in products and the interdependence of cloud services," summarizes Thomas Henzler, the DSAG Board Member for Licenses and Maintenance.

Communicating added value more clearly

Among ASUG members, 24 percent view the RISE with SAP offering as being somewhat of value or high in value, while 12 percent of DSAG members say the same. Among the latter, 39 percent view RISE with SAP as having little value or no value at all (ASUG: 11 percent). While 37 percent of ASUG members believe it is somewhat to very likely that they will consider RISE with SAP, only 10 percent of DSAG members said the same at the time of the survey. DSAG Board Member for Transformation Christine Tussing: "SAP needs to communicate the added value of RISE with SAP and the associated transformation potential much more clearly. Only companies that recognize this value as a key component of their business transformation will make RISE with SAP a part of their future path." Geoff Scott, CEO of the Americas' SAP Users' Group adds: "The findings offer insight into how well-known RISE with SAP is. They serve as valuable, actionable customer feedback for SAP, highlighting the ways in which the development, integration, and delivery of RISE with SAP and cloud solutions can be improved for all SAP customers."

Trust in RISE with SAP varies widely

While both user groups generally regard SAP as somewhat or very trustworthy (ASUG: 80 percent; DSAG: 72 percent), there was a lot less agreement on whether they trust SAP to meet expectations with RISE with SAP. 58 percent of ASUG respondents trust SAP a lot or somewhat in this respect, but only 26 percent of DSAG members. Among the latter, 35 percent even said they trust SAP very little or not at all when it comes to RISE with SAP (ASUG: 10 percent). Otto Schell, Deputy Chairman of DSAG, sums it up: "Companies and industries are having to grapple with their architectures and make them networkable in near real time. This

trend will boost Rise with SAP. But at the same time, SAP has to show that their approach can also be implemented in existing landscapes, and how it can be done. This will increase trust again."

Conclusions:

The majority of DSAG members will continue to use S/4HANA on premise going forward. Barely half of respondents view the cloud positively, while one-quarter have a neutral view of it. The biggest challenges at present are around licensing models and costs. There is a lack of knowledge about RISE with SAP. Just 33 percent of DSAG members are familiar with it and only 10 percent currently believe it is likely that they will consider RISE with SAP in future. A lot of education and explanation is needed here, on the parts of both SAP and DSAG.

Scope of survey:

271 respondents in North America and 172 respondents in German-speaking countries took part in the survey. Among ASUG respondents, 11 percent were in Consumer Products and 8 percent in Government. This was followed by the Chemical and the Education and Research sectors, which each made up 7 percent of respondents. Among DSAG respondents, 13 percent were in Industrial Manufacturing, Machinery and Components and 13 percent in Professional Services, followed by 8 percent from the Public Sector. The survey was conducted in April and May 2021.

Webinar on survey results

The results will be discussed in a webinar on August 2, 2021, from 4 p.m. to 5 p.m. Central European Summer Time. Register at the following link:

https://www.asug.com/events/asug-and-dsag-insights-on-cross-border-cloud-solutions-and-rise-with-sap

The results will be discussed by:

- Jens Hungershausen, Chairman, DSAG

- Christine Tussing, Board Member for Transformation, DSAG
- Geoff Scott, CEO, ASUG
- Carolyn Szczurek, Market Research Manager, ASUG

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About DSAG

The German-speaking SAP User Group (DSAG) is one of the most influential user groups in the world. Its extensive network is made up of more than 60,000 members from over 3,700 companies, ranging from mid-size firms to DAX-listed corporations, and representing every major industry in Germany, Austria, and Switzerland. Thanks to its extraordinary reach, the group has unparalleled insight into the digital challenges facing companies in these markets. DSAG uses this knowledge to represent the interests of SAP users and help pave the way for its members to a digital future.

Find out more at:
www.dsag.de, www.dsag.at, www.dsag-ev.ch

Press contact
DSAG
Thomas Kircher
German-speaking SAP® User Group (DSAG)
Altrottstraße 34a
69190 Walldorf, Germany
Phone: +49 6227 35809-66
Fax: +49 6227 35809-59
Email: presse@dsag.de
Website: www.dsag.de