SAP HANA and S/4HANA Services: Automating Migration & Expanding Functionality

Market Analysis Abstract

February 2019

By David McIntire
IT Services
Research Director
NelsonHall

61 pages

research.nelson-hall.com

Who Is This Report For?

NelsonHall's "SAP HANA and S/4HANA Services" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the use of vendors for SAP HANA and S/4HANA services
- Operational decision makers exploring the benefits and inhibitors of undergoing SAP HANA and S/4HANA initiatives
- Vendor marketing, sales and business managers developing strategies to target SAP HANA and S/4HANA opportunities
- Financial analysts and investors specializing in the IT services sector, including SAP HANA and S/4HANA services.

Scope of the Report

This report analyzes the market for SAP HANA and S/4HANA services. It addresses the following questions:

- What is the current and future market for SAP HANA and S/4HANA services?
- What are the customer requirements SAP HANA and S/4HANA services?
- What are the benefits/results which vendors have been able to achieve for their clients?
- What SAP HANA and S/4HANA services are organizations buying from IT services vendors?
- What is the size and growth of the SAP HANA and S/4HANA services market?
- Who are the leading vendors within SAP HANA and S/4HANA services?
- What are the vendor selection criteria, challenges, and critical success factors for vendors targeting SAP HANA and S/4HANA services?

Key Findings & Highlights

NelsonHall's market analysis of SAP HANA and S/4HANA services consists of 61 pages (plus detailed appendices).

NelsonHall estimates that 68% of migration and implementation work completed by IT service vendors has been to Suite or BW on HANA rather than to S/4HANA, up from 27% in 2016. For many organizations, however, this is the beginning of a multi-phase approach, ultimately leading to S/4HANA hosted in the cloud.

With the introduction of S/4HANA 1809, combined with new migration paths (such as a hybrid bluefield approach), Model Company offerings and incremental capabilities, organizations are increasingly migrating directly to S/4HANA from legacy ERP landscapes.

NelsonHall expects this to continue to accelerate as S/4HANA, Leonardo and C/4HANA offerings mature. By 2022, we expect ~55% of IT service vendor SAP HANA or S/4HANA revenues to be derived from S/4HANA rather than BW or Suite on HANA.

NelsonHall estimates that ~65% of new S/4HANA adoptions are being completed through the implementation of a new system, rather than migrating existing legacy ERP landscapes. This is driven by early S/4HANA adoption being dominated by new buyers (particularly small and medium businesses) who can more easily adopt S/4HANA's best practice business processes rather than organizations with large, customized, legacy ERPs.

Organizations that have adopted SAP HANA have focused on simplifying their technical environment to reduce costs and increase agility in accessing data.

As S/4HANA adoption accelerates, organizations are increasingly using it to drive broader business change including introducing new business models and transforming business processes. These broader benefits aren't solely measured in traditional IT cost reduction but through greater agility within the business. However, S/4HANA's simplified technical architecture (data, custom object, etc.) are also driving IT cost benefits.

To deliver these services, IT service vendors are investing heavily in their SAP HANA and S/4HANA capabilities. These investments are frequently focused in three main areas:

- Expanding HANA and S/4HANA skilled workforce
- Expand industry-focused offerings
- Build intelligent and emerging technology offerings

Contents

Report Length

61 pages

Report Author

David McIntire

david.mcintire@nelson-hall.com

Sales Contact

Simon Rodd

Simon.Rodd@nelson-hall.com