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How Tech Executives are Leading Organizational and Technology Change

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TABLE OF CONTENTS

Executive Summary

Change has come in many forms in recent years for businesses across all industries. As disruption has happened via the pandemic, supply chain challenges, and The Great Resignation, many companies have also been in the middle of digital transformation programs. In response to these forces of change, building more efficient business processes was the top goal for respondents in our 2022 CIO agenda research.
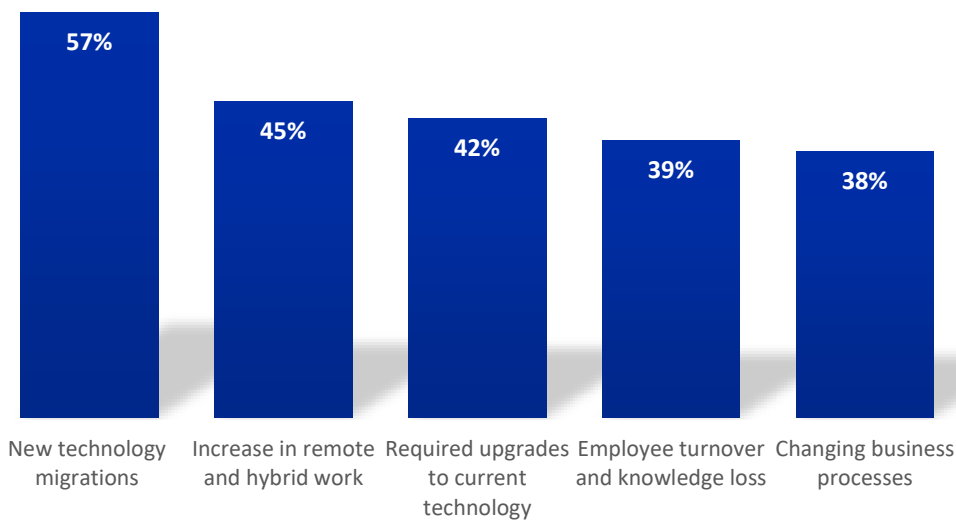
To provide us with the insight on how technology executives at SAPinsider member organizations are dealing with change, SAPinsider surveyed 130 leaders within our community in April and May of 2022. We also conducted several in-depth interviews with executives from a variety of companies and industries. Never before have tech leaders had to react so quickly to business and market factors and at the same time assess and integrate so many different solutions. Our research shows that integrating technologies across the business (47%) was the top factor driving change among respondents in our survey.

The pressure to adapt and adopt new business models and products (39%) ranked also as a top driver. The disruption of the last two years has compelled companies to operate more efficiently, at lower cost, to be more fiscally resilient for the next challenge. Many organizations have also been looking for new ways of doing business as consumer habits evolve, and that has also brought about significant change within their companies.

INSIDER PERSPECTIVE

"We are experiencing a significant turnover in executive support for new projects due to a big wave of retirements and we have new stakeholders coming in constantly. This is exacerbating the challenges around change management. I have had to modify our approach. We don't do change management with the project only. We start it with the inception of the idea"

Grace Brosnon
Chief Technology Officer
City of Tacoma

Figure 1: Top Areas of Change Being Experienced Today

New technology migrations	57%
Increase in remote and hybrid work	45%
Required upgrades to current technology	42%
Employee turnover and knowledge loss	39%
Changing business processes	38%

Source: SAPinsider, June 2022

When it comes to change enablers, technology is often a key part of transformation at any company—often put in place to enable new business models and processes, or to bring about greater efficiencies. Most organizations in our survey are dealing with changes to their technology stacks as they try to become more efficient—57% cited new technology migrations and implementations as a top area of change **(Figure 1)** they are experiencing right now, while 42% cited required upgrades to current

technology stacks. That implies that among a significant portion of our respondents, the impact of upcoming events like SAP's planned end of mainstream maintenance for SAP ECC and other legacy products is driving change.

While organizations work through change—technological or otherwise—they are facing barriers and challenges. Inconsistency in processes across departments and locations is providing an obstruction to change at 46% of respondents' organization. Budget restraints limiting adoption of new technologies are also a challenge at 42%. This inability to adopt new technologies can be a recipe for transformational failure. If organizations aren't investing in promoting adoption of new systems, the systems aren't going to provide the required benefit.

There are many strategies that companies are deploying to combat barriers to positive change. High performers are starting with soft skills, but quickly adopting both tools and processes that lead to consistent and repeatable success. Improving communication with stakeholders (in use at 47% of respondents' organizations) and increasing training and education around change initiatives (44%) are classic change management strategies. However, introducing automation (44%) also made the top three actions being taken to facilitate change.

Those respondents that rated themselves below the median score when it came to being able to drive change effectively were less likely to use automation. Those above the median are more likely to be using automation, but also nearly twice as likely to be implementing tools that help evaluate change and mitigate risk. High performing organizations are also more likely to hire talent to support change and employ both technology and tactical processes to support their efforts in strategy and communication.

This survey revealed several other trends and insights that describe how executives are approaching organization and technology change.

- Around three-quarters of the respondents (74%) indicated using consulting firms and other external partners in their change management process. External partners were most commonly used for advice on strategy (60%) and providing changing management tools (48%).

- Automation also plays a role in change management for about three-quarters of respondents' organizations. Those in our survey indicated using automation for change approval processes (47%), change ticket and ticket updating (41%), and collection of change data (40%).

- A small portion of respondents' organizations have adopted DevOps methodologies to accommodate change (16%), but another 23% have adopted DevOps for the purpose of change management while another 23% are planning to make the move. High performers are much more likely to have adopted DevOps or are actively evaluating DevOps practices.

- More leaders have decided to go with RISE with SAP with 13% of executives in our study saying they have made the decision to move forward with the offering. This is a 9% increase over last quarter's findings. There is still work to be done on education as 20% of leaders in our survey say that they do not understand enough about RISE with SAP to make an informed decision.

Required Actions

Based on the survey responses, leaders should consider the following strategies as they plan for change in 2022 and beyond:

- **Expect conflict, naysayers, and change resisters at every turn. Leverage early communication and training to drive success.** Any effective change management strategy, no matter the organization, needs to involve consistent communication with key stakeholders throughout the process. Successful executives we interviewed suggested started communication from the moment a change is being considered. Avoid surprises, and make sure your users are prepared and trained on new processes and technologies. Those strategies are essential.

- **High performing organizations create holistic change management strategies that leverage both tools and data effectively.** Communication is important, but it can be even more effective if the change team has data to back up progress. More successful companies are using tools like automation to evaluate change projects, and to identify areas where the change is potentially adding risk. The companies that are struggling with change are less likely to automate tasks that are part of the change process, leaving more manual work and potentially longer delivery times.

- **Change-related skills do not just mean soft skills.** While strategy, leadership, communication, and culture building are still important, you need to also invest in data, automation, and technical skillsets that can help you translate strategy and buzzwords into tactical action and impact. The most important thing that employees, customers, and partners need to understand is how change will benefit them for the better. Telling that story is more complex and you need to be able to drill into the detail.

- **Leverage your partners as important change management allies.** If you don't have the in-house skills and tools to effectively bring change, it's worth exploring how external firms that specialize in change can help. More successful organizations look at change management tools from external partners, and they are more likely to seek out advice on strategy, communication, and process.

Chapter One: Top Drivers and Areas of Change

With the rise in cloud adoption and more companies taking best-of-breed approaches, there are more integrations that need to happen for companies to optimize their investments and enable efficient processes. In our [recent research on the Governance, Risk, and Compliance (GRC) market](#), we found most companies had at least six applications that were tied to their compliance efforts alone, with many having more than 10 applications within that scope. That's just a sampling of one area of a business, and it highlights how many integrations a company might need across the enterprise.

With that growing application landscape, the top driver for change in our survey was the need to integrate technologies across the business, cited by 47% of respondents. The next most common driver selected was reducing costs (41%) followed by new business models and products (39%). Companies are always trying find leaner ways to operate while finding new ways to bring in revenue, but the need for those actions has accelerated as many organizations faced added challenges over the past years.
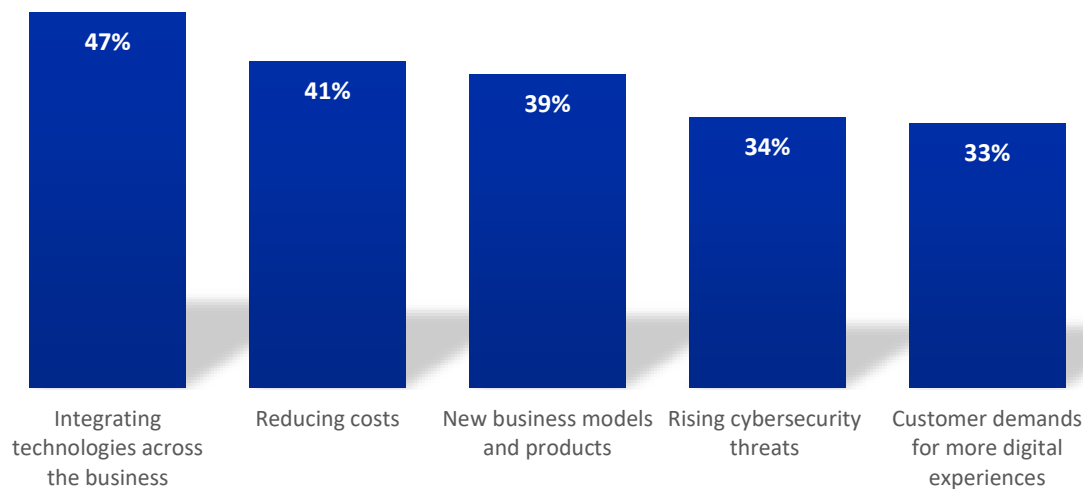
Rising cybersecurity threats (34%), customer demands for digital experiences (33%), and employee expectations around technology experiences (31%) were also cited as drivers for change at about a third of respondents' organizations **(Figure 2)**.

Figure 2: Top Drivers of Change

| Integrating technologies across the business | Reducing costs | New business models and products | Rising cybersecurity threats | Customer demands for more digital experiences |
| 47% | 41% | 39% | 34% | 33% |

Source: SAPinsider, June 2022

Cybersecurity is an increasingly important topic for executives and implementing processes and technology minimizing the risks associated with threats is no longer an optional consideration. This has been amplified with an increase in remote work creating more touchpoints to corporate systems.

That remote work shift has also increased the importance of technology experiences for remote employees seeking the tools they are accustomed to having in the office. The associated rise in e-commerce during the pandemic put a magnifying glass on digital experiences.

Other drivers included the pressure to match or exceed industry competition (28%), adapting to macro trends and disruptive global events (25%), and mergers, acquisitions and divestitures (19%).

New Technologies Forcing Change

New technology migrations and implementations is the top area of change that SAPinsiders responding to our survey are currently experiencing, cited by 57% of respondents. Moves to SAP S/4HANA and the cloud have created a groundswell of activity as many look to upgrade their SAP systems ahead of the 2027 end of mainstream maintenance deadline. Required upgrades to current technology stacks was cited by 42% of respondents as a top area of change in progress.

Other key areas of change include an increase in remote and hybrid employee work environments (45%), employee turnover and knowledge loss (39%), changing business processes (38%), and evolving skillset requirements (34%) (Figure 3).

Figure 3: Top Areas of Change Companies Are Experiencing

New technology migrations	Increase in remote and hybrid work	Required upgrades to current technology	Employee turnover and knowledge loss	Changing business processes
57%	45%	42%	39%	38%
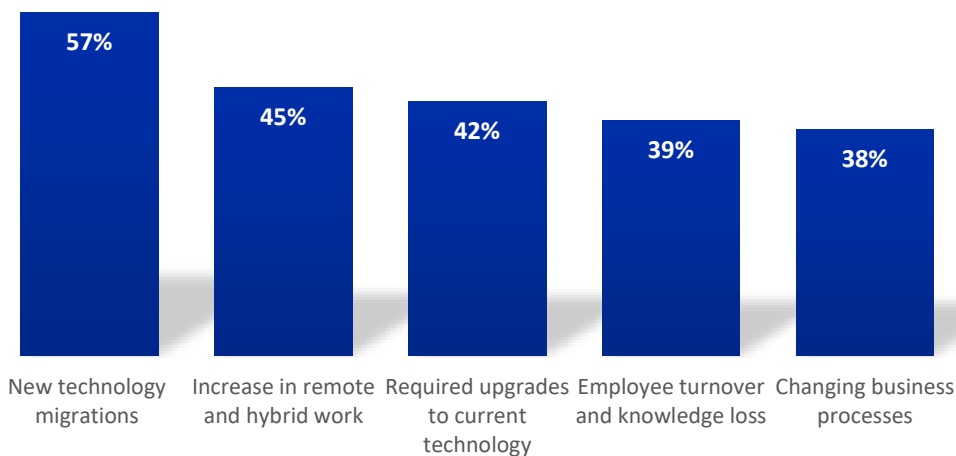
Source: SAPinsider, June 2022

Tying back to the driver around employee experiences, many companies are still adjusting to the move to remote work and now employees coming back to the office at least part of the time. That shift in workspaces also led to many employees seeking out new roles as part of The Great Resignation—leaving many organizations struggling to deal with the gaps left behind by those departures. In our CIO's Agenda research, hiring and retention rose to being one of the biggest challenges that executives are facing in 2022. Training also took a major leap in terms of challenges, which aligns with evolving skillsets being cited as an area of change at over a third of respondents' organizations.
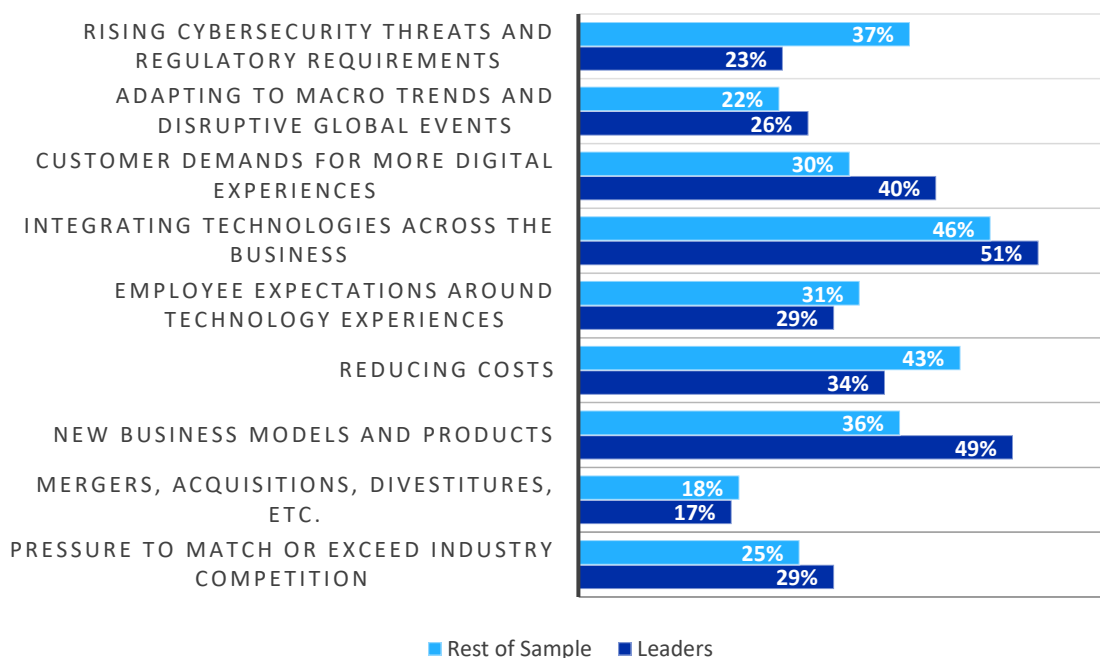
What's Driving Top Change Organizations?

High performing organizations are focused on innovation and experiences. These leaders are employing holistic strategies to tackle change management obstacles. We broke down leaders (high performing organizations) related to change management based on a self-reporting question asking our survey respondents to rate their ability to drive change in their organization on a scale from 1 to 100. We analyzed all our responses and compared these leaders to both the rest of the sample as well as the bottom performing parts of our sample (laggards).

Based on this sample we found that high performing executives are more likely to be driven by new business models and products (49% vs. 36% of the remaining sample) **(Figure 4).** They are also more likely to cite customer demand for digital experiences as a driver (40% vs. 30%). Leading change organizations similarly focus less on reducing cost.

On the other side, those that feel like they are less able to enact change (below the median ratings) are much more likely to be driven by reducing cost (55% vs. 41% of remaining sample). They are also much less likely to be driven by new business models, and half as likely to be driven by customer demands for digital experiences.

Figure 4: Top Drivers: Leaders vs. Rest of Sample

Driver	Rest of Sample	Leaders
Rising cybersecurity threats and regulatory requirements	37%	23%
Adapting to macro trends and disruptive global events	22%	26%
Customer demands for more digital experiences	30%	40%
Integrating technologies across the business	46%	51%
Employee expectations around technology experiences	31%	29%
Reducing costs	43%	34%
New business models and products	36%	49%
Mergers, acquisitions, divestitures, etc.	18%	17%
Pressure to match or exceed industry competition	25%	29%

Source: SAPinsider, June 2022

When it comes to the areas of change companies are currently experiencing, high performing organizations are more likely to be impacted by required upgrades to the technology stack and changing business processes. They are much less likely to be experiencing challenges are remote and hybrid environments, while those at organizations that are less friendly to change are experiencing

increased remote and hybrid environments at a significantly higher rate. They are also much less likely to be facing changing business processes.

Our data shows that those companies that are more singularly cost focused are more challenged by change than those that have a broader set of objectives. These organizations move beyond cost and are embracing both process and technology improvement. Costs are still a concern, but reducing costs appears to be more a byproduct of operating more efficiently than a primary driver for the organization.

Key Takeaways

Based on top drivers of change at SAPinsider organizations, and the most prevalent current areas of change, the following takeaways are clear:

- **Your change priorities impact your ability to drive change. Be both business and human driven.** There's nothing wrong with approaching change with the goal of cutting costs as that's ultimately what a significant portion of companies are doing. However, it's harder to sell cost-cutting measures to key stakeholders than it is to sell process and technology improvements that can make them better at their jobs. Think about what it takes to get to that bottom-line end-goal and if that will increase adoption and user-experience among essential end-users.

- **Your change management strategy can help or hurt your employee retention and turnover.** More companies have adopted remote and hybrid worker strategies in the last two years, and that is still a top area of change at nearly half of our respondents. With nearly 40% dealing with turnover and knowledge loss, the importance of building great employee experiences is higher than ever.

- **New technologies bring change and impact around integrations.** The top driver for change at respondents' organizations is integrating technologies across the business. If your company is adopting new software, it's important to consider the integrations to your existing apps and data. Otherwise, you may be going through a change process all over again in trying to integrate these applications later in the process.

Chapter Two: Barriers to Change and Change Strategies

Change is rarely easy. Any process or technology shift is sure to be met with resistance from stakeholders and line employees alike, but that's not the most common challenge to making changes for our respondents. Inconsistent processes across departments and locations was cited by 46% of respondents as the biggest challenge they faced. And 42% said that budget restraints limiting new technology adoption was their biggest challenge (**Figure 5**).

Inconsistent processes across departments means those areas of the business might use different methods of communication. Or they might be more ingrained in their current processes than another group. This means a blanket change strategy is going have diminishing returns.

Figure 5: Top challenges to change management
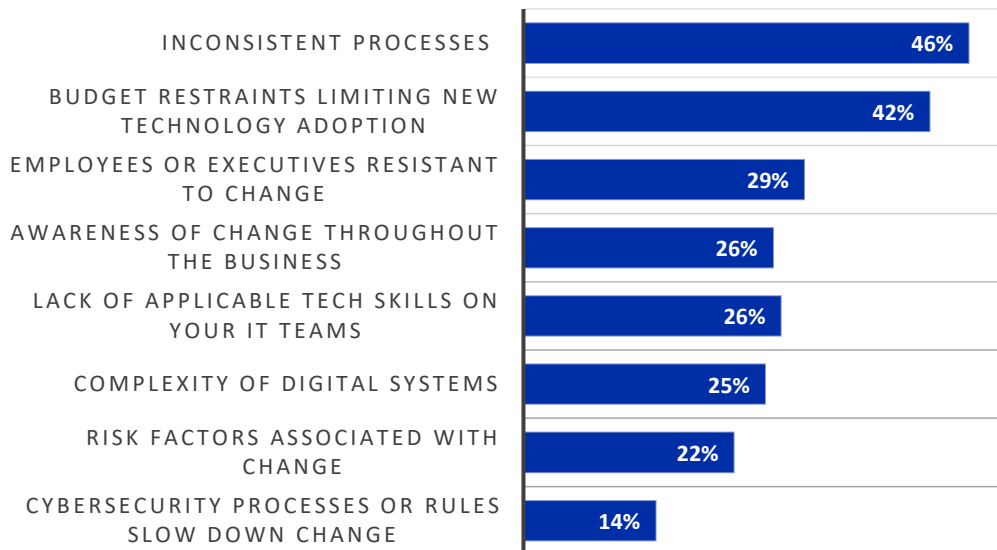
Source: SAPinsider, June 2022

Other challenges include employees or executives resistant to change (29%), lack of applicable technical skills on IT teams (26%), awareness of change throughout the business (26%), and complexity of digital systems (25%).

These challenges can often go hand-in-hand. If a leader is struggling to get buy-in, it may be due to lack of awareness around the change and potential benefits. If the organization is lacking the technical skills to handle the proposed change, the complexity of digital systems becomes an even bigger challenge. If that's the case, we go right back to resistance from employees—if something disruptive also seems difficult to adopt, then there will be pushback.

Risk factors associated with change (22%), and cybersecurity processes or rules slowing down change (14%) round out the top challenges.

It's positive that nearly four-fifths of respondents are not challenged by organizational culture when it comes to change. This is not surprising given recent world events that are forcing organizations to reassess everything from business models to processes, and underlying technologies.

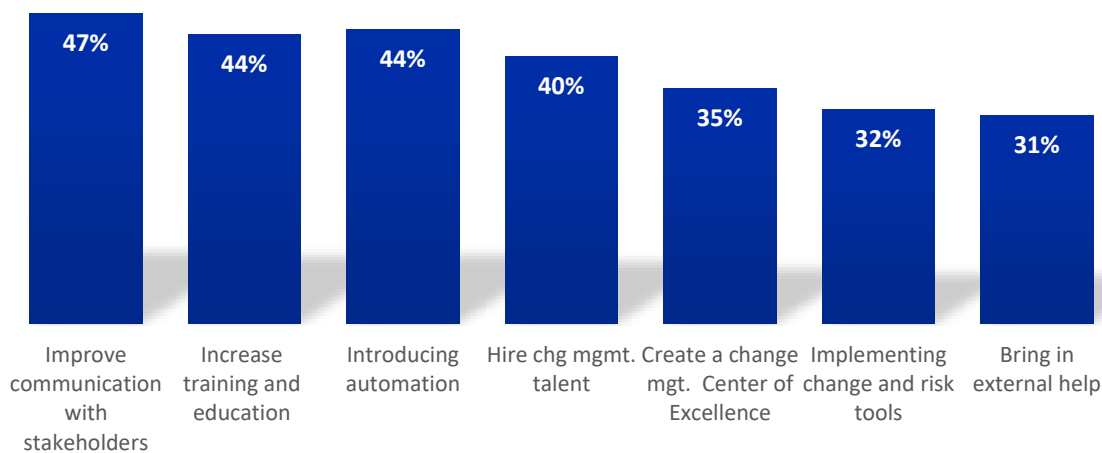## Communication and Training Among Top Strategies for Addressing Challenges

When it comes to tackling the top barriers to change, leaders are embracing a range of approaches from investments in tools and technologies to widespread communication and training activities.

In our overall survey communication is the top method chosen by nearly half of our executives (47%) to address the challenges of change **(Figure 6).** Education is a close second at 44%. Outside of the soft skill approaches, executives in our study are also investing in automation (44%) and looking to hire talent with change management skillsets. 40% of our respondents say acquiring skills is the approach they'll take to manage the growing number of change-oriented projects at their organizations.

Figure 6: Top solutions to change management challenges

Source: SAPinsider, June 2022

"We invest significantly in training and communications across all channels. You need people to hear things multiple times to truly understand and embrace change. I try to get the entire chain of people in the organization hearing about an idea at least seven times before we've even started with the project. That gets them to understand and secure buy in right from the beginning."

Grace Brosnon
Chief Technology Officer
City of Tacoma

The interesting trend we see from the data is that leaders are much more likely to invest in tools and technologies along with upskilling and hiring to drive success in their change programs. Leaders are 23% more likely to implement tools (49% vs. 26%), and 12% more likely to hire talent (49% vs 37%). Many reasons explain this discrepancy. Leaders tend to be organizations where budgets are larger and they are supporting more widespread projects that necessitate successful change management initiatives.

Leader organizations also tend to have more mature change management processes and communication standards in place and as a result are less likely feeling the need to focus on

improving communications with stakeholders (49% for laggards compared to 40% for leaders). Likewise, leaders feel less of a need to have to bring in external help (34% for laggards compared to 26% for leaders).

This does not mean to say that leaders don't recognize the need to expand knowledge and skillsets. They are just more focused on doing this internally and becoming self-sufficient. Leaders are also much more focused on training and education (46% vs. 35%). Ultimately, it's knowledge and understanding of impact and benefits that will help employees embrace change, and leaders recognize that relationship. Leaders are also more likely to have introduced automation technologies and to hire talent with skills to support change (44% vs. 29%),

One of the other common trends seen in those that are successful with change management is their willingness to institutionalize groups and committees to handle change. Over a third of leaders (38%) are creating change management offices or centers of excellence vs. 29% of laggards.

Role of Automation and DevOps

In order to build a sustainable change management strategy, organizations need to employ repeatable methodologies and invest in underlying technologies that can facilitate the management of change within the organization. This is where both automation and DevOps come into the picture.

In our overall sample, we found that when it comes to automation nearly half of our respondents (47%) are automating change approval processes as part of their change management strategy **(Figure 7).** This was the leading form of automaton that executives were using. This was followed by the automation of ticket and ticket updating (41%), a critical strategy for organizing and prioritizing IT resources. Automating the collection of change data was the next highest priority (40%) followed by change record creation (35%). Surprisingly, nearly a third of our respondents (27%) say that they do not use automation in change management at all.

**Figure 7: The role of automation in change management**
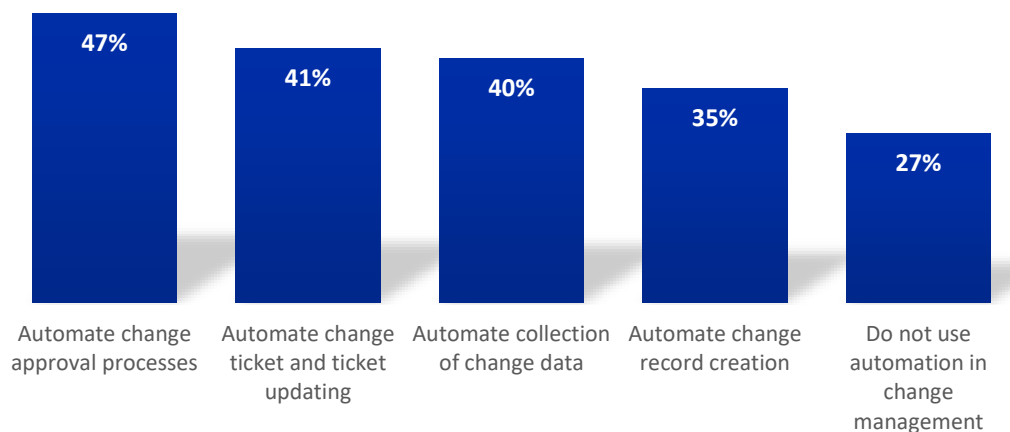
Source: SAPinsider, June 2022

We know that leaders are more likely to invest in both technology and automation to support their change management initiatives. When we delved into the type of automation that they were targeting we saw leaders take a much more significant focus on automating change record creation (43% vs 31%). However, leaders were less likely to automate change and ticket updating (34% vs 44%). Many leaders may have already tackled this objective and are now more focused on data than basic system changes.

When it comes to DevOps practices and procedures, a majority of our study (84%) have not yet implemented them to support change management objectives **(Figure 8).** However nearly half of the executives in the study (46%) are currently implementing or plan to adopt DevOps. DevOps practices break down siloes and provide companies with a more integrated and standardized approach to change and technology adoption. and have become much more popular and necessitated by the increase in cloud adoption. 15% of executives in our study are currently evaluating DevOps for change management while nearly one quarter (24%) say that they have no plans to adopt DevOps.

Figure 8: Adoption of DevOps to support change management

Have adopted	Currently Implementing	Plan to adopt DevOps	Currently evaluating	No plans
16%	23%	23%	15%	24%
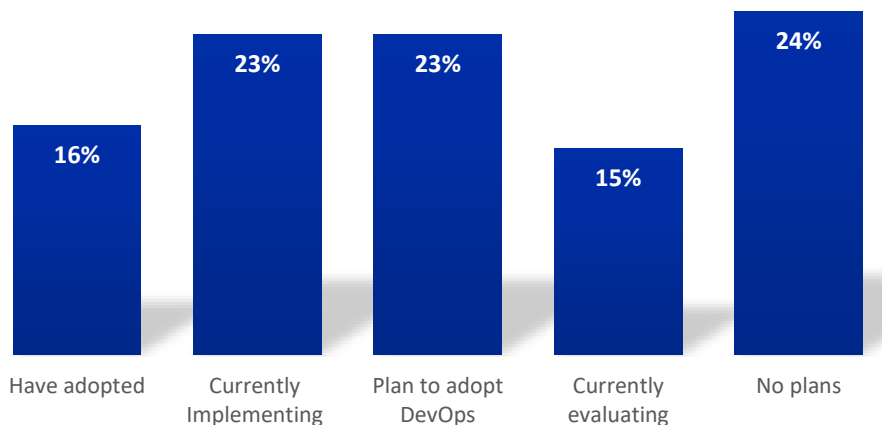
Source: SAPinsider, June 2022

It's not surprising that decision makers see this approach as a critical part of their overall change management strategy. High Performers in our survey are more likely to have built and adopted DevOps practices to accommodate change. They are 10% more likely to have already adopted DevOps practices than the rest of sample (23% vs 13%). Leaders who have not yet adopted DevOps are actively pursuing this strategy as 20% of leaders have plans to implement DevOps practices.

Laggards are almost conversely shunning DevOps. Only 3% of those in the bottom performing part of our sample have already adopted DevOps, while nearly half of laggards (45%) say that they have no plans to implement DevOps practices. This is a sharp contrast between the high performing and low performing respondents, showing that methodologies such as DevOps can make a difference in an organizations ability to initiate and digest change.

Expectations of Change

No leader or organization initiates dramatic new projects or initiatives just for the sake of doing so. There must be concrete business, company, and organizational benefits. Common among all respondents is the expectation of business process improvement. This was the top expected benefit across all the respondent groups and was reinforced by our Q1 CIO Study in which business process improvement was the number one project leaders were focusing on in 2022. **(Figure 9.)**

Automation gained the next highest number of responses (38%) and often goes hand in hand with business process improvement initiatives. Again, this reflects our previous research which shows that process improvement and process automation are the projects that are capturing significant focus and resources for leaders in 2022.
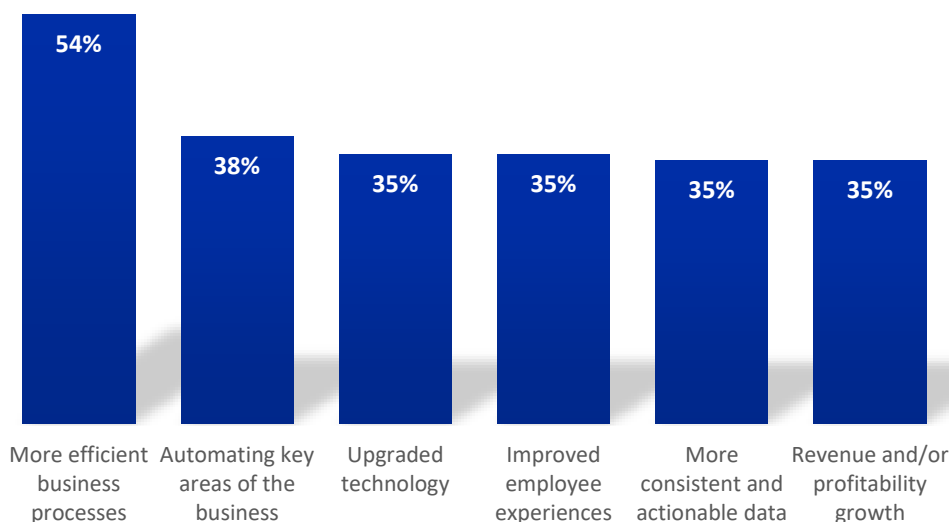
Better technology, improved employee experiences, revenue and profitability growth, and more consistent and actionable data are all tied for third at (35%). Executives are looking for a balance of impact that not only touch core financial KPIs but that enable them to retain and motivate their existing staff. Turnover amidst the Great Resignation still poses a significant challenge for many CIOs and tech leaders. Providing great employee experiences and the most current technology to work on and support them offers incentives and motivation to stay with the organization.

When you analyze the data comparing high performers and low performers, we find that leading organizations in our study are much more likely to have a broad array of expectations and measures associated with their projects than others in the sample.

Figure 9: Top expectations of change

More efficient business processes	Automating key areas of the business	Upgraded technology	Improved employee experiences	More consistent and actionable data	Revenue and/or profitability growth
54%	38%	35%	35%	35%	35%

Source: SAPinsider, June 2022

60% of our leaders in the survey cited business process improvement as an expected benefit of their change projects. 43% of leaders also expected benefits from an upgraded technology infrastructure, and 40% expected improved security. That was one of the distinctions of our high performing companies. Security has risen as a priority for leaders across many of our recent surveys and interviews. Growing threats and complexity of systems have pushed this topic to the forefront, and high performers are making this integral to all new projects.

Laggards are still also focused on business processes as their top outcome (57%). However, they are also still focused on creating more consistent and actionable data (42%). Many leading-edge organizations have tended to solve this issue earlier, and that is why we see this drop as a priority for leaders.

Key Takeaways

When it comes to measuring the success of your transformation projects and tackling the key obstacles that stand in your way, think about these key strategies.

- **Have an integrated expectation of benefits:** As with any major project, it's important to set concrete metrics and KPIs to measure success. Expand your scope and thinking so that you are not just examining cost and efficiency, but looking at areas such as user adoption, engagement, and satisfaction both internally and externally with customers and partners.

- **Invest in strategies and culture, not just technology.** While our research shows that those companies that are successfully managing change are investing in automation and other technologies, they are also the most willing to commit to change management centers of excellence and other foundational elements that can manage and drive change not just for a single project, but also in the long term.

- **Balance tools and upskilling as a way to build independence and consistency when it comes to change.** Turning to consultants and partners in the short term to help manage change will help drive your projects forward. However, those that are being successful in the long term are also investing in skills, education, and hiring so that they eventually become self-sufficient. Change is not a singular event, and organizations need to be prepared to support continuous change as that has become the norm for both IT and business teams.

- **Institutionalize DevOps practices wherever possible.** One of the striking differences between leaders and laggards in our study is the fact that our leaders have been quicker to adopt DevOps and are also more aggressive in their exploration of new DevOps strategies. As more companies move the cloud and spin off a greater amount of development projects, DevOps will be critical in removing siloes, and managing change in application and development environments.

# Chapter Three: Top Change Skills and the Role of External Partners

The complexity of managing change is ever present, and many leaders are ramping up investments in specific skillsets to help them more effectively manage ongoing change within their business and IT landscapes.

Not surprisingly, strategy as well as leadership and motivation were the highest-ranking skills companies said were important to their change management initiatives. Over half of the companies in our survey (54%) ranked strategy as the most important or very important skill to support change management (**Figure 10**). Leadership and motivation came in second at 48%. Having a strong executive pushing for change and driving it throughout the organization is a crucial component for change to be successful. Most companies have a natural resistance to changes in core processes and the status quo. Strong leadership is needed overcome complacency and lethargy.

Figure 10: What change management skills are most important?
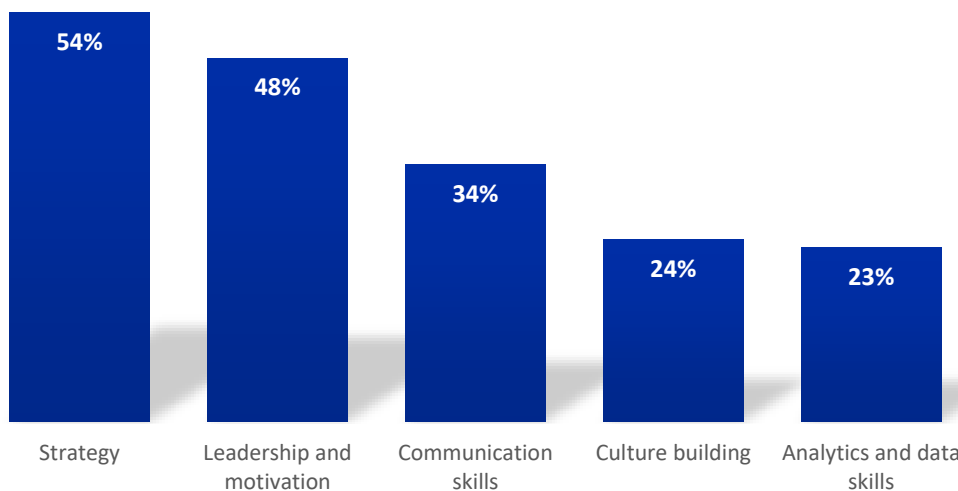
Source: SAPinsider, June 2022

This pattern was particularly true for high-performing companies in our study. High performers are more obsessed with both strategy (60%) and communication (51%) as their most important skillsets when it came to change. In our in-depth interviews executives consistently expressed that communication does not begin when the project kicks off but much sooner, and that there needs to be a steady stream of communication from the inception of the project idea through to post go-live.

What was also interesting is that most high performers didn't just stick to the soft skills but also were more likely to value analytics and data skills as a most important skillset vs. laggards (29% for leaders vs. 19% for laggards). High performers believe that the key to their success involves a one-two punch of developing the right strategy and then using technical skills and data and analytics to accurately measure progress.

Low performing organizations are still honing their communication skills. Nearly half of laggards (48%) ranked communication as the most important or very important skillset for change compared to 20% of leaders. Many of the leading-edge organizations in the study have already established strong communication practices and have developed the soft skills and are looking next to focus on the measurable impact of change. Laggards tend to be earlier in the process of defining their change management approaches.

It was interesting that change culture ranked toward the middle and bottom of skillset priorities. Only 10% of our overall sample ranked it as the most important skillset. Many of our sample believe that the other key skills such as strategy and leadership are the keys to building that culture and that culture is almost an end-result from the other attributes.

Where Do Partners Fit into Your Change Management Roadmap

Most executives within our study are evaluating and leveraging partners to help support their change management initiatives **(Figure 11).** The specific skills and knowledge that decision makers are looking to obtain from partners varies based on where they sit on the success spectrum.

Figure 11: Role of partners in change management processes
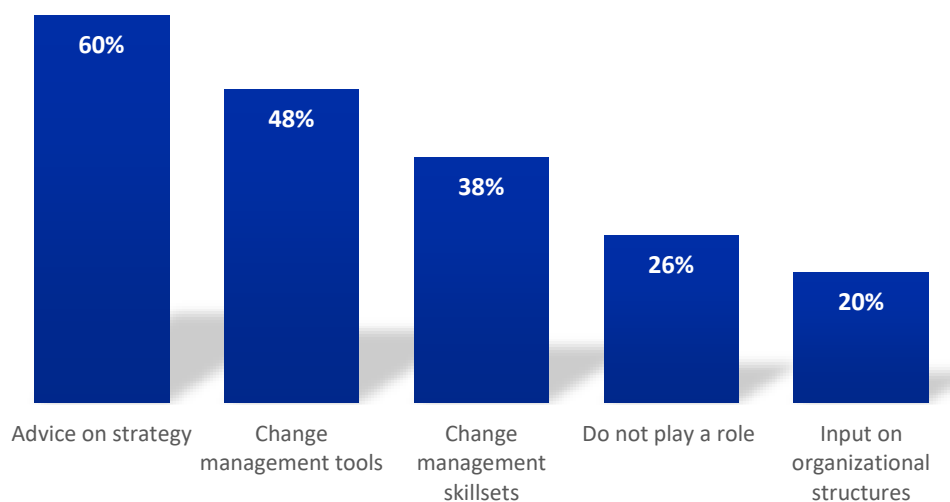
Source: SAPinsider, March 2022

The primary way in which members of our study are leveraging partners relates to strategy. A majority of organizations (60%) rely on partners for advice on change management strategy. Not surprising is that the next most critical benefit executives look to partners for is to provide change management tools. Nearly half of our overall respondents (48%) tap into their partners change management solutions. Skillsets round out the top three as over a third of organizations in our survey (38%) look to their partners to supplement their existing change management skillsets.

When comparing the highest and lowest performers in our study we found that leading edge organizations are more likely to use partners for a wide range of activities in comparison to laggards. It starts at the top with strategy where leaders are 11% more likely than laggards (66% vs 55%) to use partners for advice on setting strategy for change management initiatives.

The contrast becomes more distinct as you move from strategic to tactical. Our high performers are 19% more likely to engage partners for actual change management tools and technologies to support their strategy than the laggards (51% vs 32%). This continues to reinforce the theme of investment in data, tools, automation to support strategy as a winning combination.

Many laggards are not even engaging partners for any support when it comes to change management. Nearly a third of (29%) of underperformers report that their partner plays no role in their change management projects compared to 20% of leaders.

More Execs Make Decision to Move Forward on RISE with SAP

For the first time our research is showing that companies have started to finalize their decisions to move forward with RISE with SAP. RISE with SAP remains an important topic for our executive audience and that is why we are going to update our research on our decision makers' plans for RISE with SAP with each quarterly report.

Further, we are seeing a double digit percentage of executives in our study reporting that they have decided to move forward. 13% of executives in our Q2 study say that they plan to pull the trigger on their first RISE with SAP project. This is a 9% jump over the proportion panning to do so last quarter.

Our current data shows that there is a 10% quarter over quarter decline in those companies saying that they plan on evaluating RISE with SAP as many of those folks have entered other phases of their RISE with SAP evaluation and project initiation.

Those that are currently evaluating RISE with SAP are holding relatively steady as we see a few more folks enter the evaluation stage (18% for Q2 vs 16% for Q1). We also saw a 1% drop in those who feel that they do not understand enough about RISE with SAP to make an informed decision (20% for Q2 vs. 21% for Q1). There is still some significant work to do to educate leaders on the value and benefits of this offering.

Almost a fifth of our respondents (19%) declare that they have no plans to evaluate RISE with SAP. This was consistent with responses from last quarter (18%). The impending deadline for SAP S/4HANA and many organizations' plans to deploy this solution on the cloud has started to accelerate momentum. SAP and partner educational initiatives are starting to bear fruit, but there is still significant work to be done.

Figure 10: What role does RISE with SAP play in your plans? (Q1 vs Q2 2022)
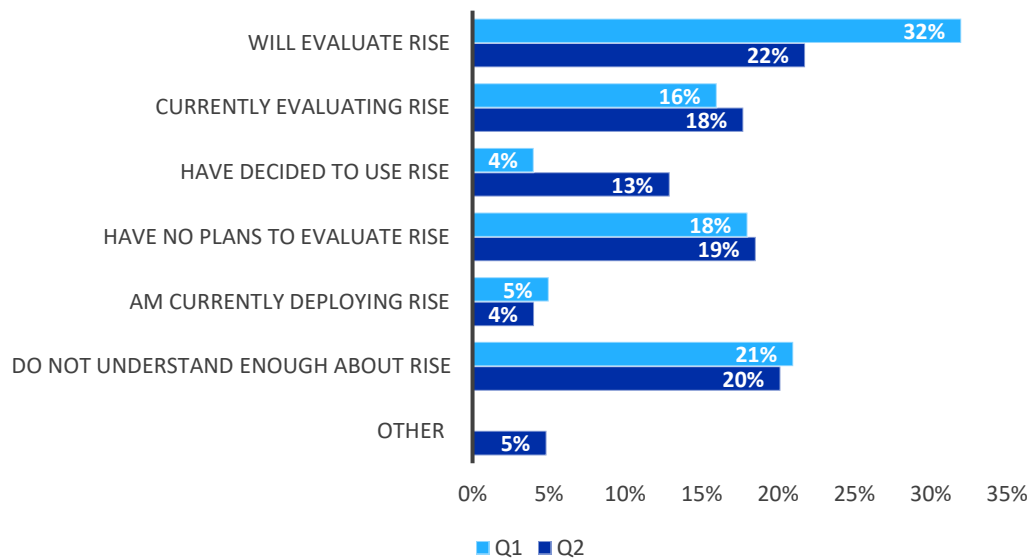
Source: SAPinsider, March 2022

When looking at this question among our higher and lower performers we see some significant disparities in both understanding and movement on RISE with SAP. Many of those companies who are struggling with change management performance are far less likely to comprehend the value and capabilities of RISE with SAP as well as have a plan for action.

Only 13% of low performers in our research say that they will evaluate RISE with SAP compared to nearly a third of leaders (31%) who plan to closely examine this offering. Almost a quarter of laggards (26%) say that they do not understand enough about RISE with SAP compared to 14% of leaders, showing that high performers are keeping up with their education and knowledge on the latest solutions and offerings.

None of the current laggards have already deployed RISE with SAP, although 10% of under performers say that they have made the decision to go with RISE with SAP. That's 4% less than our leaders. 14% of this sample have already made the decision to move forward.

Key Takeaways

- **A change culture cannot succeed without strong leadership and practical skillsets, data, and technical knowhow.** Change management strategies and culture have always been the defining attributes of an organization that can effectively manage change. However, our research is also showing that the highest performing companies and leaders are also investing in strategy, leadership, and the tools, the data, and technical capabilities to manage change as well. It's important that, while you may start at the top, you need to quickly move down the curve in your tactics and approach to be successful in the long term.

- **Leverage Partners for a Wide Array of Strategic and Tactical Benefits:** Keeping up with the pace of change has never been more challenging given not just the volatile geo-political and business climates, but also the rapid advancement of solutions and technologies. If you want to give your teams and organizations the best chances for success, leverage your partners, not just for strategic advice, but for their tools and skillsets.

- **Change Management Starts Before the Project Not at the End:** Executives and high performers in our study continuously reinforce the concept that change management must originate during the ideation and planning phase as opposed to being shoe-horned into the testing and training phase. The more communication and planning that goes into the beginning of the project, the better. Secure both buy in and understanding at the outset and continue to communicate the entire way. Do not fear being repetitive or early. Those attributes will help you be consistent with your change management success.

- **RISE with SAP is starting to gain steam. Stay Informed.** Our research shows that a growing number of executives are starting to make concrete plans to implement RISE with SAP to support their digital transformation and SAP S/4HANA projects. As the 2027 deadline approaches, you need to stay informed and make your decision sooner rather than later. The competition for services and skills will only become fiercer in the coming years and you want to be able to retain your competitive advantage from a strategic, business, process, and technology perspective.
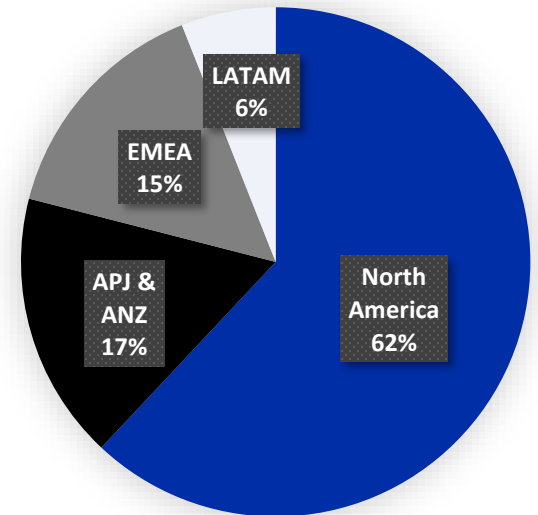
Methodology

In April and May of 2022, SAPinsider examined the experiences of CIOs and other tech leaders about how they are managing and facilitating change within their business and IT landscapes. Our survey was administered to 130 technology leaders in the SAPinsider Community and generated responses from across a wide range of geographies, industries, and company sizes. Respondents completed an online survey and SAPinsider conducted in-depth interviews on questions such as:

- What are the top drivers of change within their organization?

- What are the key challenges that are obstacles to change?

- What skills and technologies are they investing in to support their change management initiatives?

- Where are they with supporting initiatives such as DevOps and RISE with SAP?

- How are they leveraging partners to support change management?

The demographics of the respondents included the following:

- **Market sector:** The survey respondents came from every major economic sector, including Industrial (35%); Software & Technology (34%); Public Sector and Healthcare (11%); Retail & Distribution (8%); Financial Services & Insurance (7%); Hospitality, Transportation, and Travel (2%); and Media & Entertainment (2%).

- **Geography:** Of our survey respondents, 62% were from North America; 17% were from Asia-Pacific, Japan, and Australia; 15% were from Europe, the Middle East, and Africa; and 6% were from Latin America.

PARTICIPANT PROFILE

Pie chart:
- LATAM 6%
- EMEA 15%
- APJ & ANZ 17%
- North America 62%

Appendix A:
The DART^{TM} Methodology

SAPinsider has rewritten the rules of research to provide actionable deliverables from its fact-based approach. The DART methodology serves as the very foundation on which SAPinsider educates end users to act, creates market awareness, drives demand, empowers sales forces, and validates return on investments. It's no wonder that organizations worldwide turn to SAPinsider for research with results.

The DART methodology provides practical insights, including:

- **Drivers:** These are macro-level events that are affecting an organization. They can be both external and internal and require the implementation of strategic plans, people, processes, and systems.

- **Actions:** These are strategies that companies can implement to address the effects of drivers on the business. These are the integration of people, processes, and technology. These should be business-based actions first, but they should fully leverage technology-enabled solutions to be relevant for our focus.

- **Requirements:** These are business- and process-level requirements that support the strategies. These tend to be end to end for a business process.

- **Technology:** These are technology- and systems-related requirements that enable the business requirements and support the company's overall strategies. The requirements must consider the current technology architecture and provide for the adoption of new and innovative technology-enabled capabilities.

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