



Business Application Services Trends in the EMEAI Region

A PAC Study, Sponsored by Fujitsu

January 2017

Background to the Study

This presentation provides a summary of the key findings of the most comprehensive ever study of future directions in applications services at organisations in the EMEAI (Europe, Middle East, Africa and India) region.

The study was conducted by leading independent research firm Pierre Audoin Consultants (PAC) and sponsored by Fujitsu, and is based on interviews with more than 500 senior IT and business decision makers at large commercial and public sector organisations.

The survey focuses on key technology challenges that businesses are facing as they undertake digital transformations: future SAP and Oracle investment trends and strategies, how to transform legacy technology infrastructure and how to optimize productivity.

An in-depth analysis of the full results of the study will be provided through a series of free-to-attend webinars hosted by PAC and Fujitsu. Please register for the sessions at the links below:

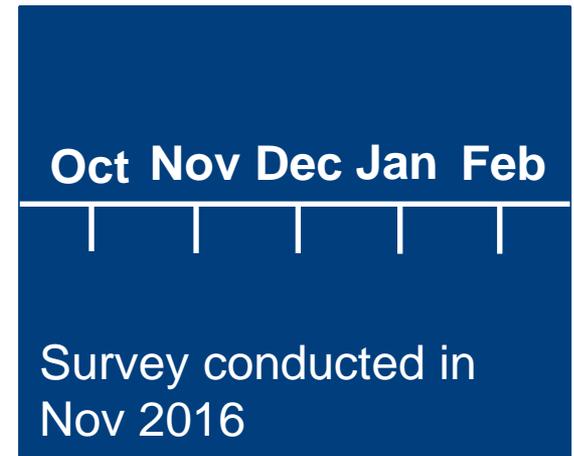
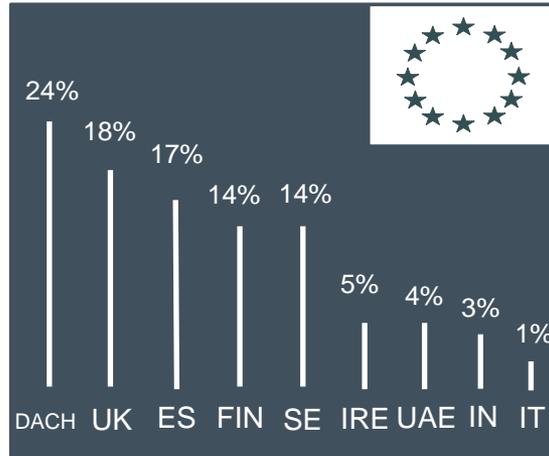
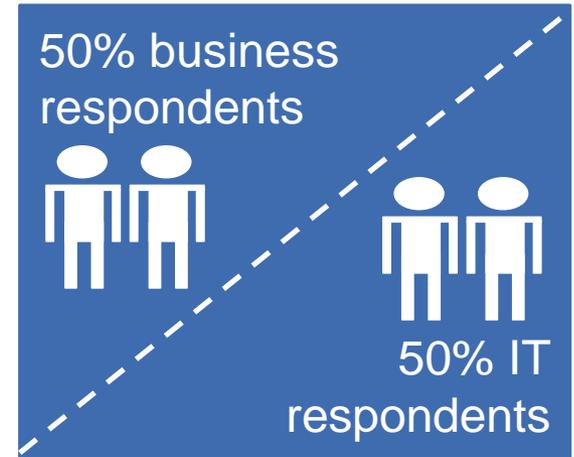
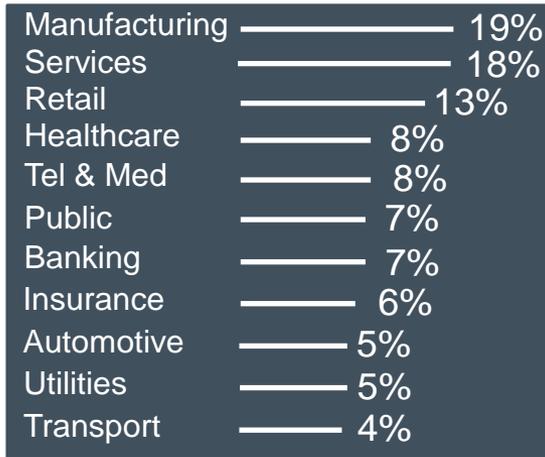
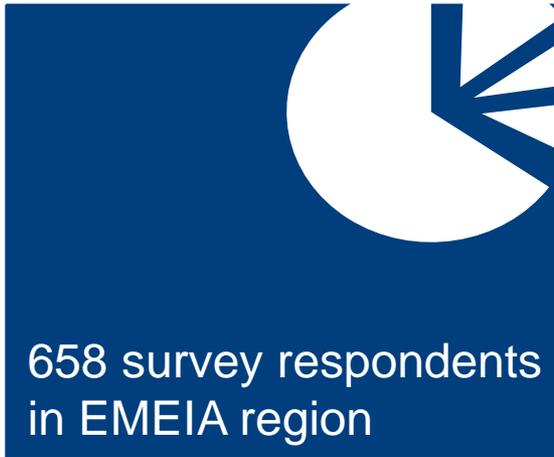
Mastering Productivity – register [here](#)

Oracle Cloud Application Strategies – register [here](#)

Overcoming the Legacy Barriers – register [here](#)

The Path to S/4 HANA – register [here](#)

Sample Breakdown



Key Findings

11%

of European businesses claim to be digital leaders

57%

see legacy technology as a barrier to digital transformation

30%

believe that more than 50% of their applications are future-proof

44%

plan to migrate more than half their apps to the cloud in next 3 years

14%

Claim to be at an advanced stage in productivity monitoring

38%

Of SAP users plan to start rolling out S4 Hana in next 12 months



43%

of SAP users see complexity of existing as stumbling block to S4



39%

of Oracle users will start implementing Oracle cloud in next 12 months



48%

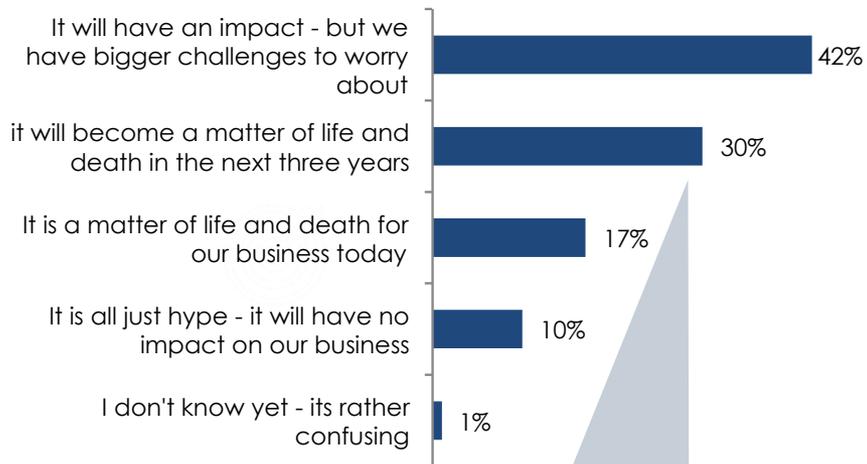
see internal skills as a blocking point for Oracle cloud migration



Digital Transformation

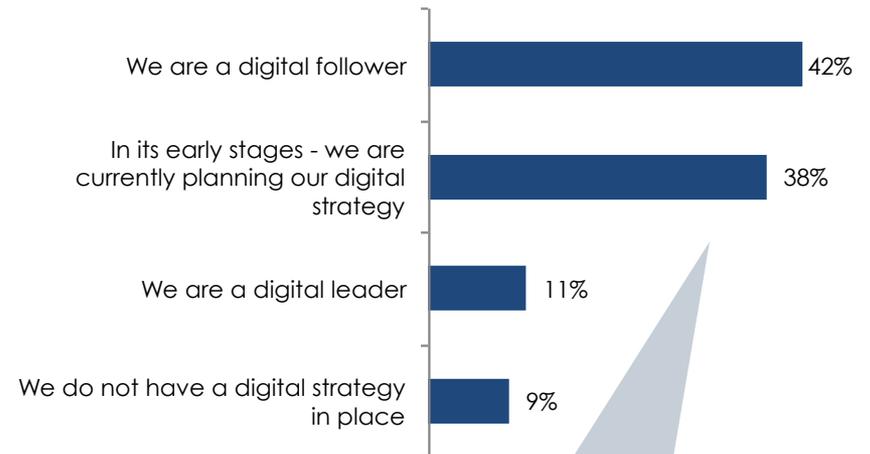
Digital Transformation (1/2)

Q. What does digital transformation mean to your organisation?



Digital transformation is not at the absolute top of the agenda of the participants in the study. Other challenges – economic etc – are taking precedence.

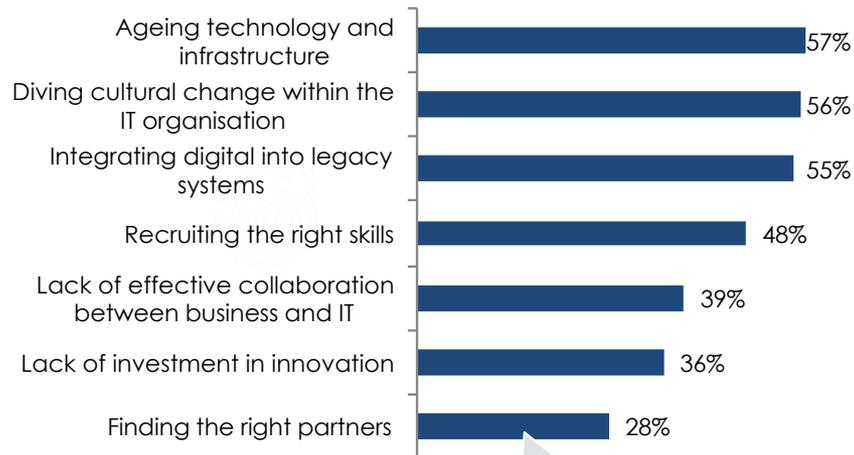
Q. How would you rate your organisation's current status in terms of digital transformation?



This looks a realistic appraisal of where organisations are on digital transformation – just 11% see themselves as leaders.

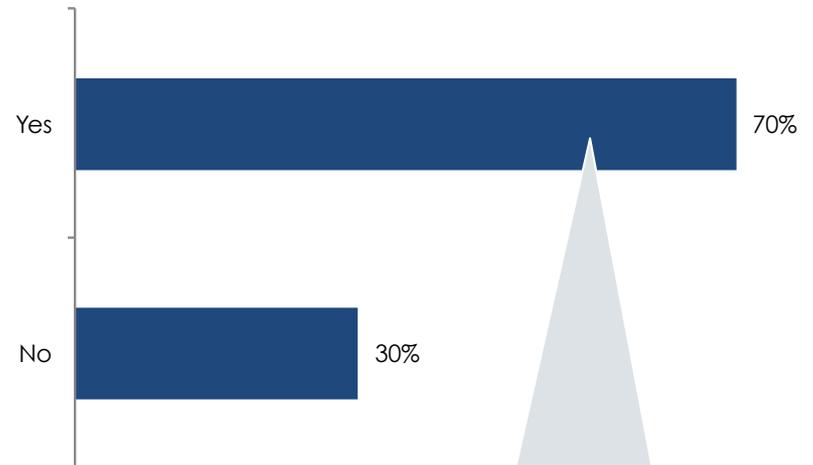
Digital Transformation (2/2)

Q. What do you see as the biggest challenges to your organisation's digital transformation strategy?



Interesting to see technology and cultural challenges factors topping the list. This is why digital success can only be achieved by business + IT working hand in hand.

Q. Do your current business applications enable you to take advantage of innovative new technology such as IoT, robotics, AI etc?

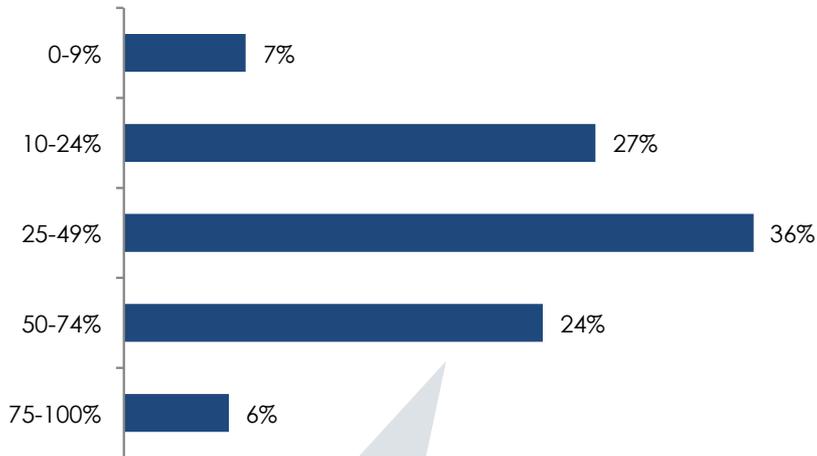


This is a surprisingly high level and sounds like over-confidence, particularly considering the previous answer. It may indicate the lack of initiatives that many orgs are still at an early stage on these new topics.

Application Transformation

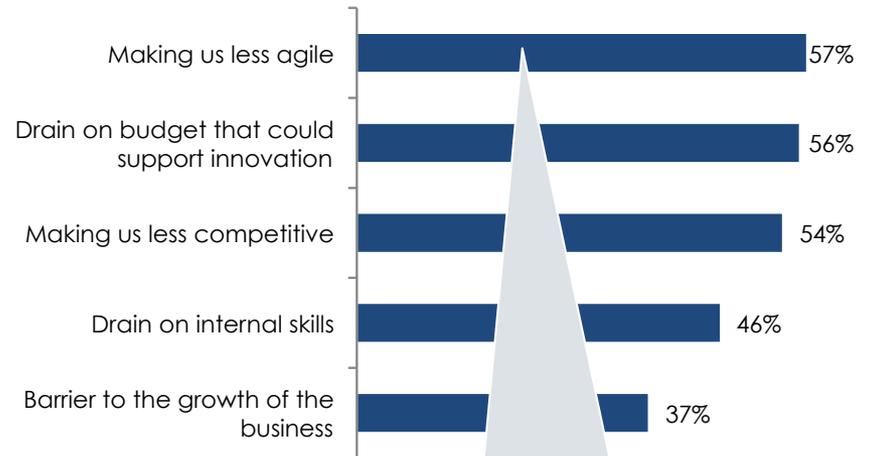
Applications Transformation (1/4)

Q. What percentage of your current business applications landscape would you describe as being fit and able to support the future digital strategy of your business?



Only 30% of participants believe that more than half of their applications are future-proof. This is a low level, but probably a realistic appraisal.

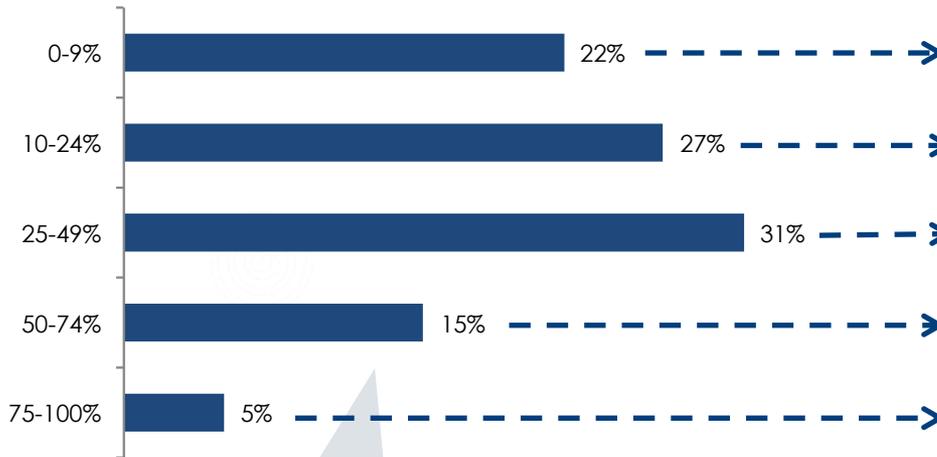
Q. Which of the following impacts do your legacy applications have on your organisation?



Interesting to see a negative impact on agility being the main concern. This reflects what we hear more and more in the market about agility, rather than cost being the main driver to new projects

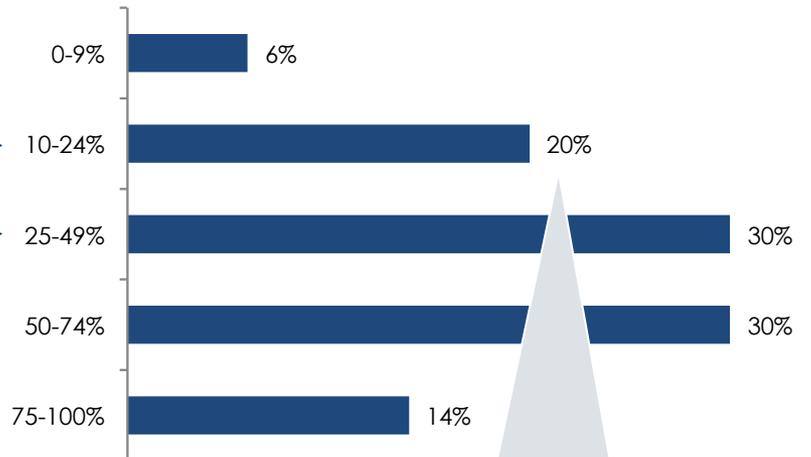
Applications Transformation (2/4)

Q. To what extent have you migrated your application estate towards a cloud delivery model?



Only 20% have migrated more than 50% of their applications towards a cloud delivery model....

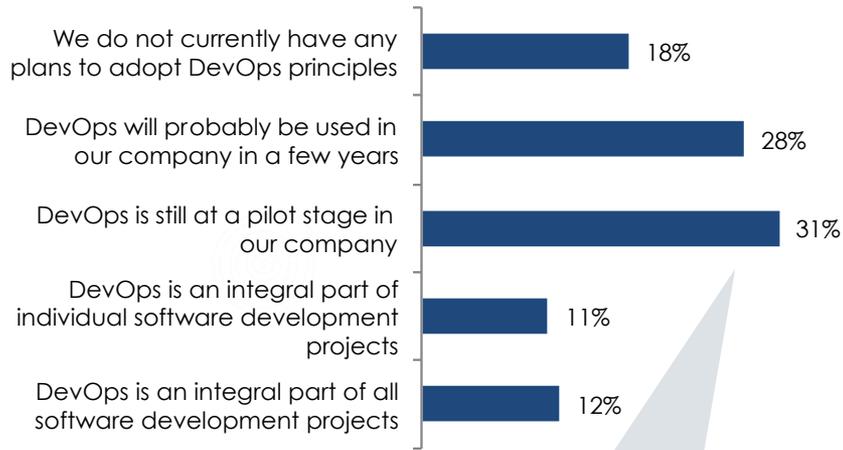
Q. How do you expect this proportion to have changed in three years time?



...but there's going to be a lot of movement in the next three years, with the level more than doubling to 44%.

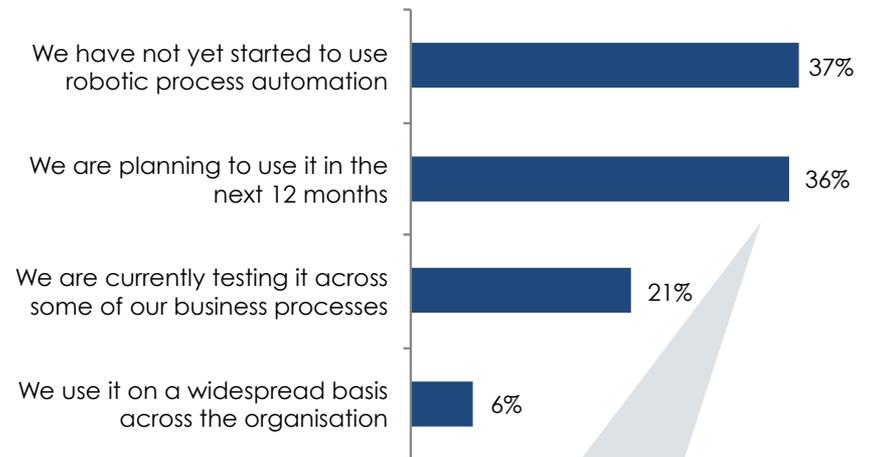
Applications Transformation (3/4)

Q. To what extent is your organisation currently adopting DevOps principles?



DevOps is still a work in progress at the large majority of organisations, although only 18% don't currently have a strategy or some level of adoption.

Q. To what extent are you using robotic process automation to increase reliability, speed and focus of external and internal base processes?

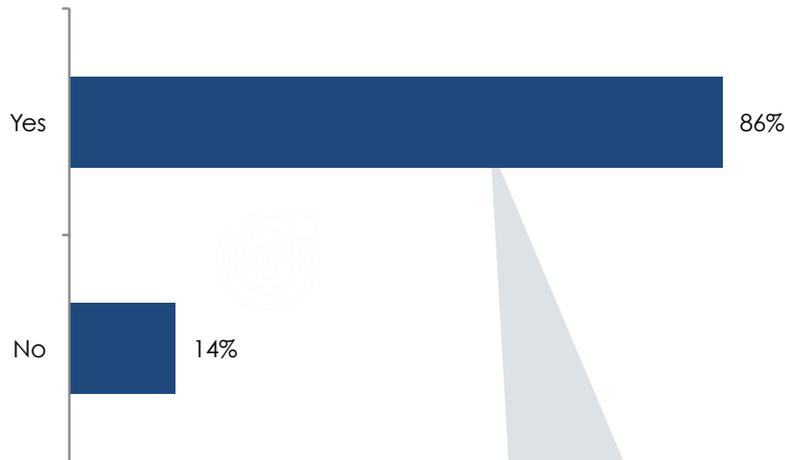


It is a similar story with robotic process automation, but its going to be an active area in 2017, with a third planning to start out with RPA in the next 12 months

Mastering Productivity

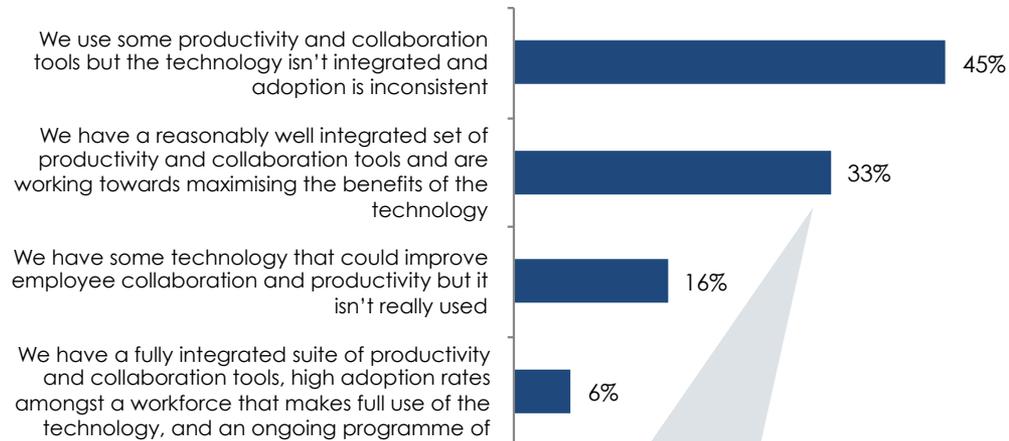
Mastering Productivity (1/3)

Q. Do you agree that digital transformation goes beyond just technology – it requires new ways of working as well?



The participants overwhelmingly agreed with this statement

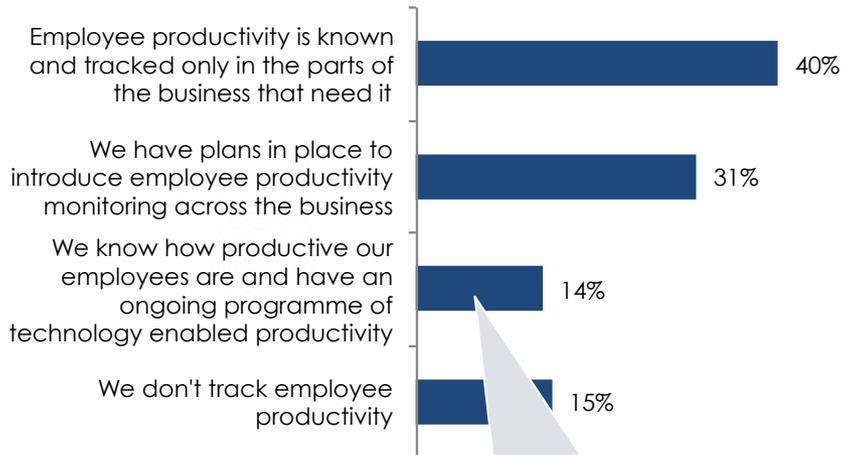
Q. What statement best describes your organisation's maturity in the provision and adoption of employee productivity and collaboration technology?



For the large majority of respondents, harnessing the full potential of productivity and collaboration tools remains a work in progress.

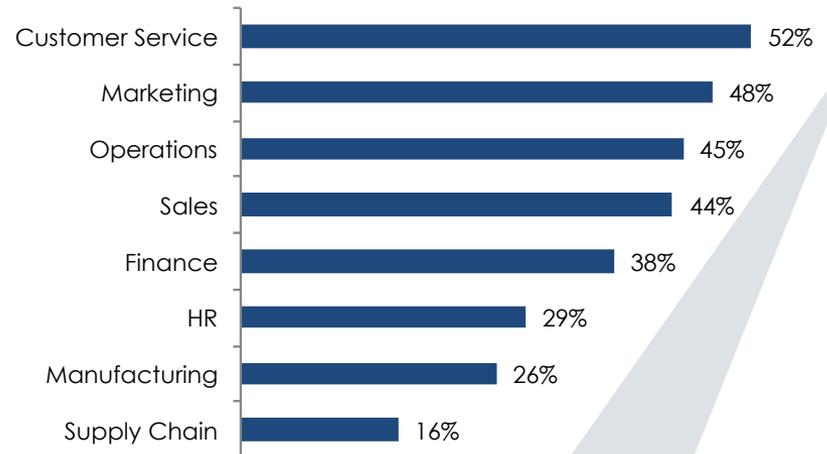
Mastering Productivity (2/3)

Q. Are you able to baseline, measure, and track employee productivity in your organisation?



Only 14% claim to be at an advanced stage – but nearly one third plan to push ahead with productivity monitoring, highlighting what an important topic it is.

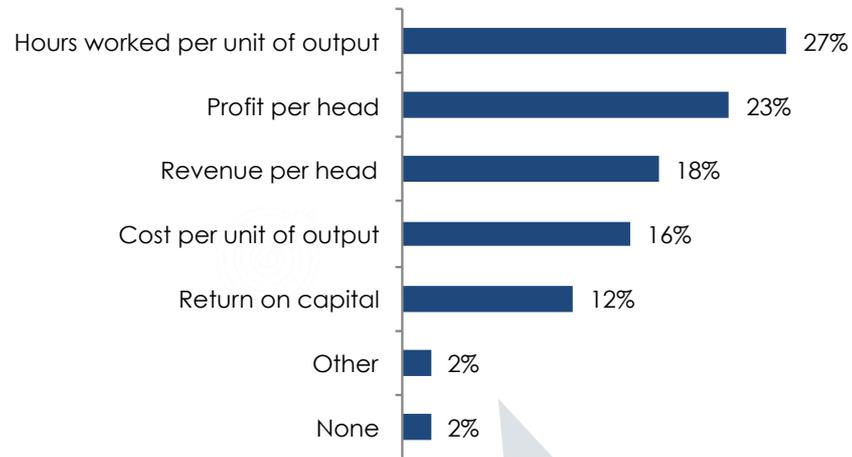
Q. Which business areas would be the highest priority when it comes to targeting productivity improvements?



It is interesting to see customer-facing teams being prioritized for productivity improvements. Are these teams perceived to have the biggest room for improvement, or to have the biggest impact?

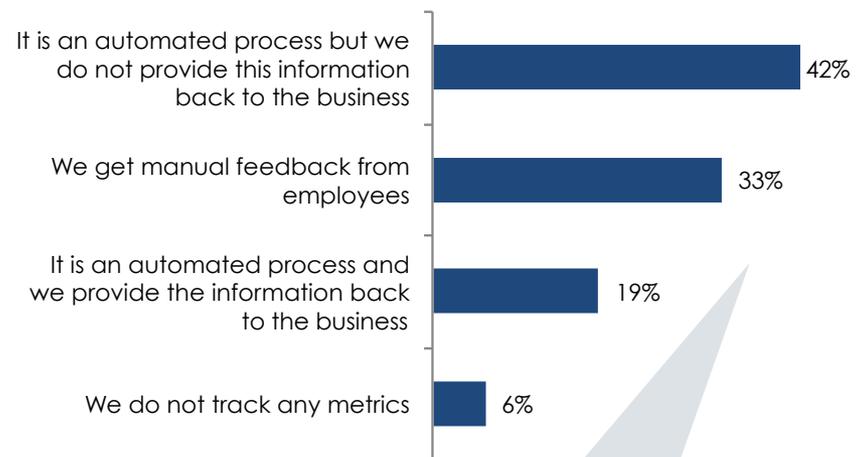
Mastering Productivity (3/3)

Q. What metrics do you or will you use to measure productivity in your organisation?



Participants in our study track a broad range of metrics as their primary indicators of productivity?

Q. If metrics are used, how do you track and monitor them?

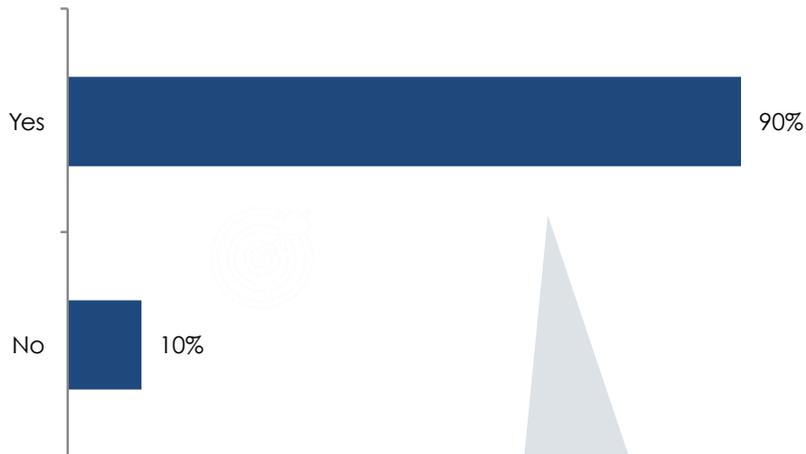


This is a missed opportunity – 42% have automated the monitoring of productivity, but do not provide the information back to the business.

Oracle Cloud Apps

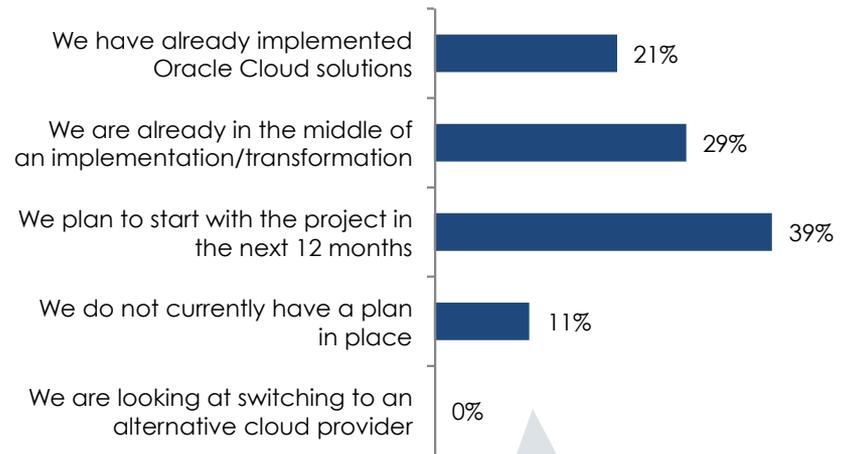
Oracle Cloud Apps (1/3)

Q. Do you see your Oracle platform as being crucial to enabling your organisation's digital transformation strategy?



This is a ringing endorsement of Oracle's place in the digital strategy of its customer base.

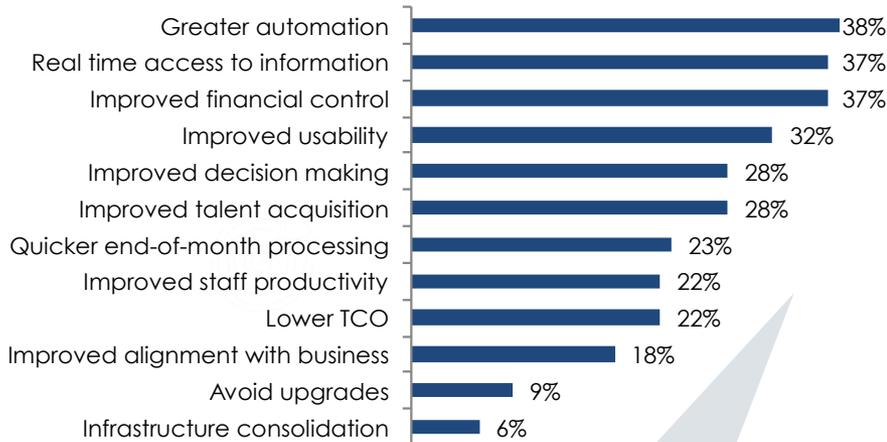
Q. What is your organisation's overall planning status for the adoption of cloud applications to digitize back office functions such as HR, finance, procurement and supply chain?



No Oracle users in the study are looking at switching to an alternative supplier. The next 12 months look set a substantial level of Oracle Cloud Apps adoption

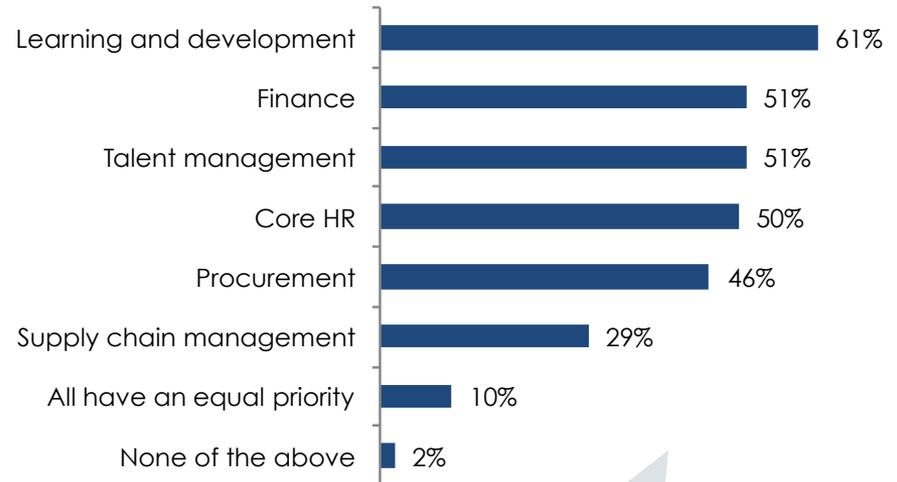
Oracle Cloud Apps (2/3)

Q. What business benefits do you expect to achieve from digitizing your back office with Oracle Cloud Apps?



It is interesting to see the business benefits (better access to info, better financial control) outweighing the more mundane technology cost arguments (infrastructure consolidation, avoid upgrades).

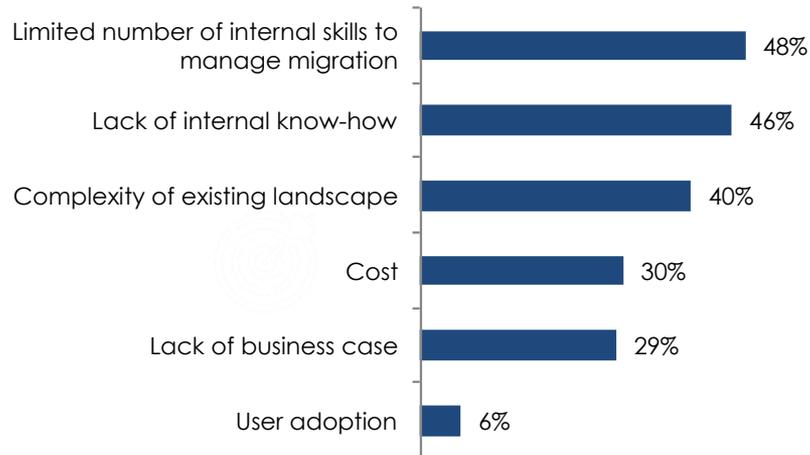
Q. Which areas of your business do you expect to be a priority for Oracle Cloud Apps adoption?



Human resources and finance are the two areas where participants are prioritizing Oracle Cloud Apps adoption.

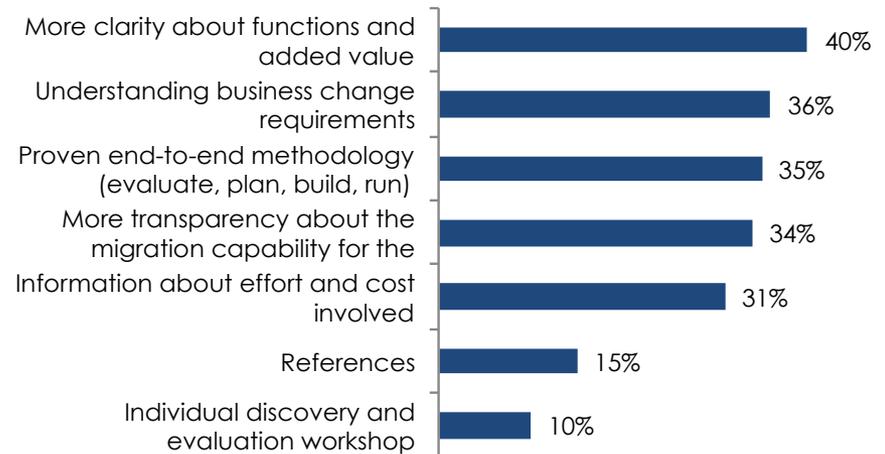
Oracle Cloud Apps (3/3)

Q. What do you see as the biggest challenge to digitizing your back office with Oracle Cloud Apps?



Skills and internal know-how highlighted as the main challenges – this underlines the opportunity for Oracle to support.

Q. What would help you in your decision regarding digitizing your back office functions using Oracle Cloud Apps?



Clients are primarily looking for more information on the functionality and the added value of using Oracle Cloud Apps.

SAP HANA

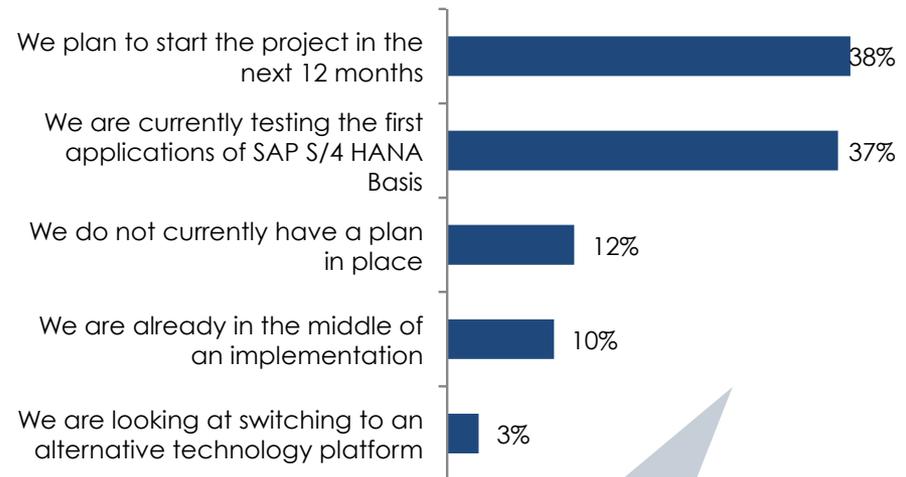
SAP S/4 HANA (1/3)

Q. Do you see your SAP platform as being crucial to enabling your organisation's digital transformation strategy?



SAP users overwhelmingly believe that their SAP platforms are going to continue to play an important role in supporting their digital agendas.

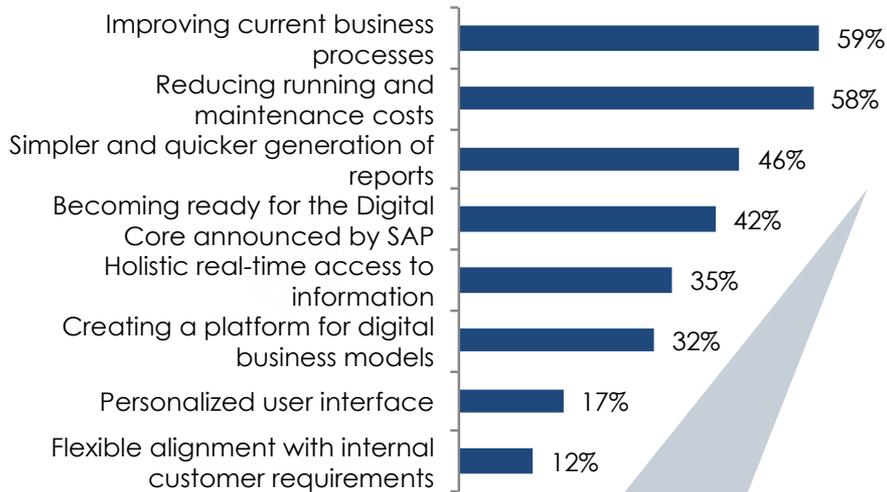
Q. What is your company's current planning status regarding S4 HANA?



2017 looks set to be a landmark year for S/4 HANA adoption with close to 40% planning to start a project in the next 12 months.

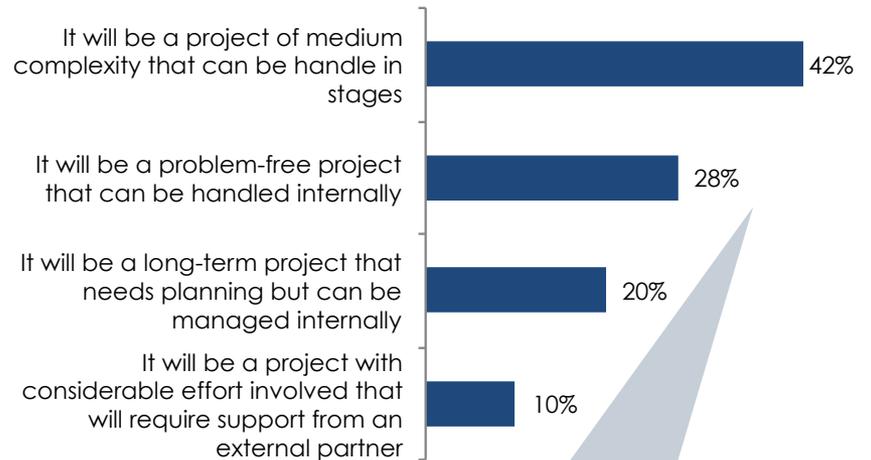
SAP S/4 HANA (2/3)

Q. Which of the following benefits do you expect from using S/4 HANA?



It is interesting to see cost reduction listed as one of the primary expected benefits – does S/4 HANA need to be sold more as a cost play rather than a way to enable to the digital enterprise?

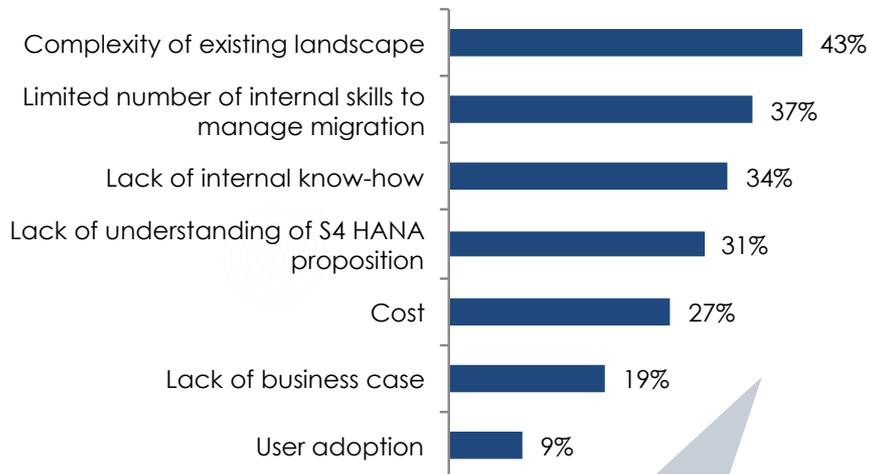
Q. Which of the following best describes your attitude to S/4 HANA migration?



Surprising to see more than a quarter expecting the project to be painless. However the largest proportion acknowledge that it will be a significant undertaking.

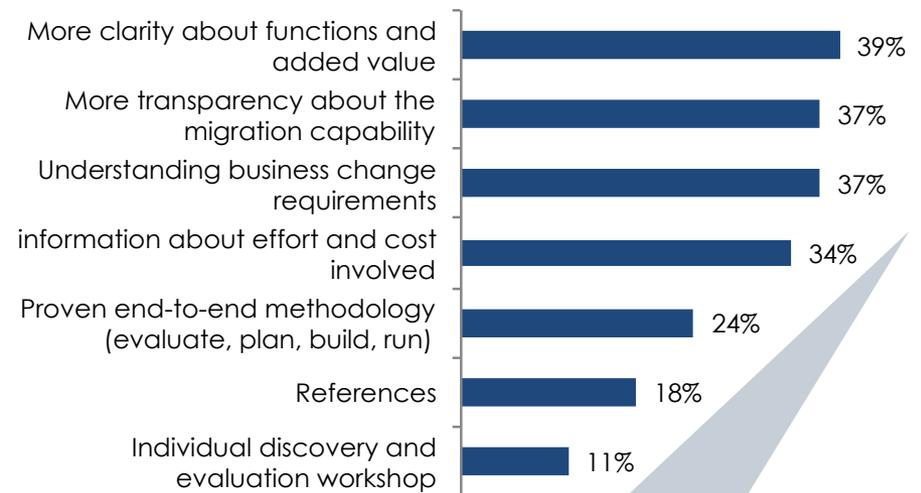
SAP S/4 HANA (3/3)

Q. Which of the following do you perceive to be the main challenges for starting an SAP S/4 HANA implementation?



Bridging the gap between the legacy SAP estate and S/4 HANA is seen as the main challenge. without external support.

Q. What would help you in your decision-making regarding a S4 HANA implementation project?



SAP customer still need more insight into the functionality and added value of S/4 HANA proposition

Founded in 1976, Pierre Audoin Consultants (PAC) is part of CXP Group, the leading independent European research and consulting firm for the software, IT services and digital transformation industry.

CXP Group offers its customers comprehensive support services for the evaluation, selection and optimization of their software solutions and for the evaluation and selection of IT services providers, and accompanies them in optimizing their sourcing and investment strategies. As such, CXP Group supports ICT decision makers in their digital transformation journey.

Further, CXP Group assists software and IT services providers in optimizing their strategies and go-to-market approaches with quantitative and qualitative analyses as well as consulting services. Public organizations and institutions equally base the development of their IT policies on our reports.

Capitalizing on 40 years of experience, based in 8 countries (with 17 offices worldwide) and with 140 employees, CXP Group provides its expertise every year to more than 1,500 ICT decision makers and the operational divisions of large enterprises as well as mid-market companies and their providers. CXP Group consists of three branches: Le CXP, BARC (Business Application Research Center) and Pierre Audoin Consultants (PAC).

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