

# Resolving the Challenge of Integration Complexity

Research from SAP and ASUG found that the ability to build seamless integrations between SAP and non-SAP applications is critical for IT teams to not only support their business objectives, but also to drive digital transformation.

SAP customers are charged with managing environments that weave SAP and non-SAP applications into an ever-expanding network of connection points. Organizations depend on connections between their critical applications that remain stable through upgrades and enhancements.

More than three-quarters of respondents (76%) told us that their organizations highly value integrations as strategically important (Figure 1), and this value is only increasing. This isn't surprising, given what integration accomplishes for respondents. They rely on integration to synchronize business systems, reduce the need for manual interventions, and automate business processes across disparate systems—all important advantages today. Stable integratons also allow SAP customers to better govern their data housed in various applications to support data-driven decision-making. This hinges on the ability to connect these disparate systems with the SAP ERP that sits at their digital core.

### Figure 1: Most SAP Customers Consider Integration a Strategic Priority



Source: ASUG and SAP research, August 2020

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Despite integration's high priority at organizations, their IT teams are still experiencing roadblocks. The most significant barriers that respondents named were a lack of the right tools to complete these projects, issues with internal alignment on integration goals, and a gap in experience and skills on staff.

### Implications: Select the Right Platform to Support Strategic Integrations

It's clear from our research that organizations value what integration can bring them, though they might lack the skills and tools to complete these projects. Those who are achieving the benefits of integration identified the top two factors as the quality of their integration tools and internal alignment of their integration strategies across the organization. SAP customers need a high-quality integration platform that will equip their IT teams to quickly respond to business demands and deliver value by safely tapping into the data across their SAP systems.

Learn how SAP Cloud Platform helps you achieve agile integrations.

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## The Value of an Integration **Strategy for SAP Customers**

SAP customers must manage complex technology environments that rely on integrations between SAP and non-SAP applications. SAP and ASUG research revealed the key factors needed for organizationwide integration strategies.

Complexity continues to grow within technology landscapes, which introduces challenges for SAP customers. More than half (54%) are responsible for supporting 21–200 applications at their organizations. Integration is essential for these IT teams to succeed.

Those organizations with an integration strategy report related benefits including streamlined business processes, improved use of data/analytics, intelligence to drive business decisions, and better adoption and use of applications (Figure 1).

### Figure 1: Top Benefits SAP Customers Have Achieved from Integration Strategies



Streamlined business processes





data and analytics



business decisions



use of applications

Source: ASUG and SAP research, August 2020

Respondents noted that the top two most important factors in their integration strategy were using high-quality tools with the right capabilities and having the right internal support to achieve these benefits. A full 57% said they are looking to build the needed skills for integration projects among their existing staff over hiring consultants (44%). As customers build their integration strategies, they should plan to have the right tools, capabilities, and teams to avoid these hurdles.

> "We are currently working to expand the number of people who have capabilities in this area among our internal team. This will give us a deeper bench to deal with spikes in demand or unexpected team member departures."

> > - SAP customer

### Implications: Build the Right Platform into Your Integration Strategy

As organizations prioritize the value of integration, IT teams will need to lean on their integration strategies to keep up with the increasing demand for these projects. Customers also reinforced that they need a quality integration platform to support those strategies. As you're evaluating which platform is right for your organization, consider one that works well with both SAP and non-SAP applications, as well as one that includes prebuilt tools to reduce the effort required from team members who might be overloaded or could be strengthening their integration-related skills.



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# Resolving the Challenges of Extension Complexity

While 86% of SAP customers agreed that it's strategically important to be able to extend their SAP applications, research from SAP and ASUG found that they must work around multiple challenges before realizing the benefits of these projects.

In our research, we learned that the top four drivers of SAP extension projects are optimizing and automating business processes, enhancing the user experience, adding new functionalities/enhancements, and innovating with intelligent technologies.

The good news is that SAP customers are finding ways to benefit their organizations by extending their SAP applications. As they execute these projects, respondents told us that the top two factors needed to achieve these benefits are secured connectivity to SAP applications and access to intelligent technologies such as machine learning and artificial intelligence (AI) (Figure 1).







Intelligent technologies (e.g., artificial intelligence, chatbots, or automation)

Source: ASUG and SAP research, August 2020

On the other hand, some roadblocks are preventing SAP customers from driving value through extensions. These include a need for better development tools, a lack of skilled resources, and collaboration challenges. The top capability that respondents said they are missing is adequate knowledge and skills to complete these projects. Echoing the top factor in their success, respondents also said they'd like more secure integration options, as well as the ability to architect a solution rather than just implementing it.

"Right now, there is a Band-Aid linking our ERP systems to our critical third-party systems. The resources aren't available to help bridge this gap properly, so we are tripling the amount of work we are doing instead of streamlining."

– SAP customer

### Implications: Achieve the Benefits of Application Extensions

Organizations need extension tools they can trust to help them architect and deliver development projects efficiently and securely, especially those connecting SAP and non-SAP systems. IT teams with some knowledge gaps should look for a platform that features frameworks, libraries, and programming models to help support their team members as they build their skills. There's no need to learn multiple tools from a variety of sources when you can work with a platform of choice that's designed to achieve the strategic benefits your organization needs from its extension projects.



Simplify application extensions with SAP Cloud Platform Extension Suite.

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## **Addressing SAP S/4HANA** Integration and Extension Challenges

SAP and ASUG conducted research to explore ERP system integration and extension challenges. As SAP customers plan to move to SAP S/4HANA, they need the right tools to manage these integrations and extensions before and after they go live.

SAP customers who are preparing to implement SAP S/4HANA are prioritizing integrations with SAP and third-party applications as part of their projects. More than three-quarters of respondents (76%) told us that their organizations highly value integrations as strategically important.

Integrations will add complexity to these migration projects. But prebuilt integrations are one way for customers to reduce their integration efforts during the implementation project and as they continue to enhance their landscapes. This is likely why 69% of respondents are planning to use SAP Cloud Platform for their integration work.

### Figure 1: Top Reasons Customers Extend Their SAP Applications







Adding new functionalities and enhancements



Introducing intelligent technologies (e.g., artificial intelligence, chatbots, or automation)

Source: ASUG and SAP research, August 2020

When it comes to application extensions, we learned that 71% of respondents are planning to move their custom code from SAP ECC to SAP S/4HANA as they migrate. More than half (52%) told us that ABAP was their preferred development environment for extending their SAP applications. When asked what their top application development priority was, nearly twice as many respondents told us it was to optimize business processes (43% vs. the 26% who identified automation), which also is a benefit that comes with SAP S/4HANA moves. This aligns with the primary reason why customers extend their SAP applications (Figure 1).

### Implications: Select the Right Platform to Integrate and Extend SAP S/4HANA

SAP customers who are moving to SAP S/4HANA must plan for integrations with SAP and third-party applications, as well as to extend their ERP system to deliver forward-looking, adaptable solutions. Look for a platform that supports ABAP, the preferred development environment for SAP customers, as well as open-source programming languages and low-code tools. The right platform will help reduce the IT team's efforts through prebuilt integrations and will allow for reuse of custom ABAP code while keeping the core clean and stable-not only for the migration, but also for all future development.

Find out how SAP Cloud Platform accelerates SAP S/4HANA implementations.

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