TURNING INTELLIGENCE INTO VALUE

2020 ERP Trends

Based on the UK ERP Trends Survey by the Accenture SAP Business Group

TURNING INTELLIGENCE INTO VALUE

2020 ERP TRENDS

FOREWORD

Welcome to "Turning Intelligence into Value", Accenture's 2020 ERP trends report. Based on a survey of 122 CIOs in the UK, this report offers deep insights into how ERP solutions are being used now, and how their future direction is changing. Now in its second year, the report highlights the evolving challenges and opportunities of today's ERP market.

This is a market that continues to change and grow at speed. According to Gartner research, "the ERP software market grew 10 per cent to a global market value of $35 billion in 2018"[1]. And that growth shows no sign of slowing. Gartner forecasts that the ERP market will be worth $44 billion by 2022[2].

The cloud is the foundation of a modern ERP. And it will continue to be so, as highlighted by developments like SAP's new partnership with Microsoft. The company is the first global cloud provider to join SAP's new Embrace program to accelerate customer journeys to – and in – the cloud. Using cloud, companies are turning intelligent operations into value and bringing ERP capabilities out from the boiler room to their customers.

Despite this market momentum and these developing relationships, challenges remain. These include an imminent ERP talent shortage. By 2021, Gartner expects that ERP cloud enterprise application implementation labour rates will increase by 60 per cent due to high demand and a lack of skilled resources.[3] Securing and building the capability to take advantage of modern ERP solutions will be a key enterprise challenge.

I invite you to explore the five key trends set out in this report, reflecting the ongoing changes taking place in the ERP space and the volatile conditions that businesses are dealing with. A key finding that stood out this year is the strong **focus on finding value.** The most successful transformations are creating sustained business value from ERP solutions, using 'as a Service' and cloud capabilities to support an agile and more customer-friendly enterprise.

I hope you enjoy reading about the state of play in ERP today and I look forward to engaging with you on your technology initiatives.

John Erik Ellingsen
Managing Director - SAP Business Group Lead
UK and Ireland

1. Gartner 'Market Share Analysis: ERP Software, Worldwide, 2018', May 2019
2. Gartner '2019 Strategic Roadmap for Postmodern ERP', May 2019
3. Gartner '2019 Strategic Roadmap for Postmodern ERP', May 2019

ARE YOU READY TO TURN INTELLIGENCE INTO VALUE?

Look around you. Every company is digitally transforming. But are they realising value from every corner of the enterprise and achieving their potential?

For many organisations, the answer is no. For them, digital is still only skin-deep, and value release is painstakingly slow. Yes, value is more pervasive at the front end, in the places where the company meets its customers. But it's frequently absent in the boiler room – the ERP – where much of the enterprise work gets done. And that is becoming a real barrier to investing more in technology-led innovation. In addition, even companies investing in modern technologies such as the cloud are carrying over legacy practices, skills and costs. They're getting stuck in a back office vs front office mentality. The net result? An inability to unlock sustained value. These companies are effectively creating the "legacy ERP of the future".

However, some are starting to think differently. Our multi-year survey of UK CIOs shows that ERP systems are no longer just seen as back-office transactional solutions managed by IT. Instead, CIOs view the core ERP platform as the engine of the enterprise. And by enhancing and extending its reach out to the edges of the organisation, they're using it to transform their companies into technology businesses and realising the full value of investments.

These leaders are changing their ERPs from siloed on-premise solutions into modern ERPs based on a digital core with real-time access to transactional data. They're creating pathways to data across the enterprise and infusing intelligence to help improve productivity, generate better insights and improve business decision making.

Our CIO survey highlights five key trends that are driving this embrace of the modern ERP, plus the good habits that organisations are developing to help them to create and sustain value from ERP modernisation. These trends can help other organisations create and sustain value with new ERP. It's time to open up the enterprise core and let digital shine throughout the organisation.

2019 TRENDS VS. 2020 TRENDS

ERP TRENDS 2019

1 **TREAT CLOUD AS THE GATEWAY TO MODERNISATION**

Develop a nuanced cloud strategy around digital transformation, cost savings and new business models.

2 **MAKE YOUR CORE INTELLIGENT AND EXTENDED**

Invest in intelligence and automation – powered by AI, machine learning, and analytics; not as an add-on but as a core part of your ERP platform. Enable your business to extend at scale and in real time.

3 **PARTNER WITH CLOUD CAPTAINS, NOT TRADITIONAL SERVICE FIRMS**

Find co-creation partners that differentiate by reimagining services delivery models, being technology agnostic, and specialising in your business.

4 **PERSONALISE**

Make user experience (UX) seamless across channels and platforms and personalise relentlessly.

5 **AMPLIFY INSIGHTS BY CONVERGING DATA**

Treat data as an asset. Free up the data in your ERP systems and converge different data sources for deeper intelligence.

ERP TRENDS 2020

FROM 'JOURNEY TO THE CLOUD' TO 'JOURNEY IN THE CLOUD'

It is no longer about the 'lift and shift' of infrastructure to the cloud. That's already happening. Now it's about optimising the cloud landscape and using cloud as your innovation platform.

USE CORE CAPABILITIES TO SCALE INNOVATION

An intelligent core ERP can bridge business and functional silos. It can help scale innovation using analytics and automation.

CLOUD CAPTAINS PROVIDE THE EDGE

Cloud Captains are service providers who truly understand our cloud-based world, the implication of driving growth, increasing agility, and controlling cost through DevOps, automation, analytics and integration.
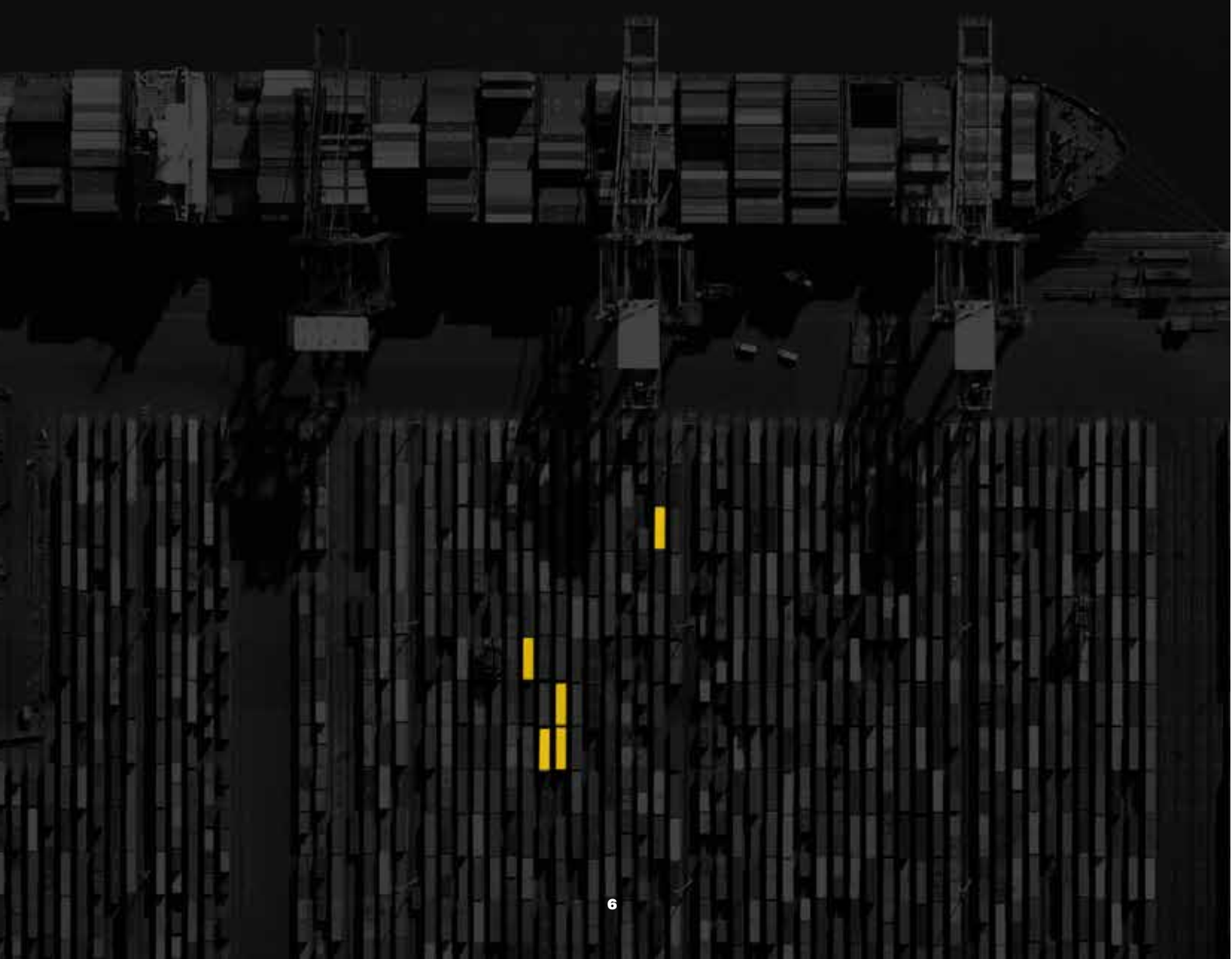
BECOME HYPER-RELEVANT

Good customer interaction is not enough on its own. It takes intelligent customer engagement to create an exceptional customer experience.

FUEL INSIGHTS WITH HIGH-QUALITY DATA

The use of more and more cloud solutions puts an extra focus on data quality.
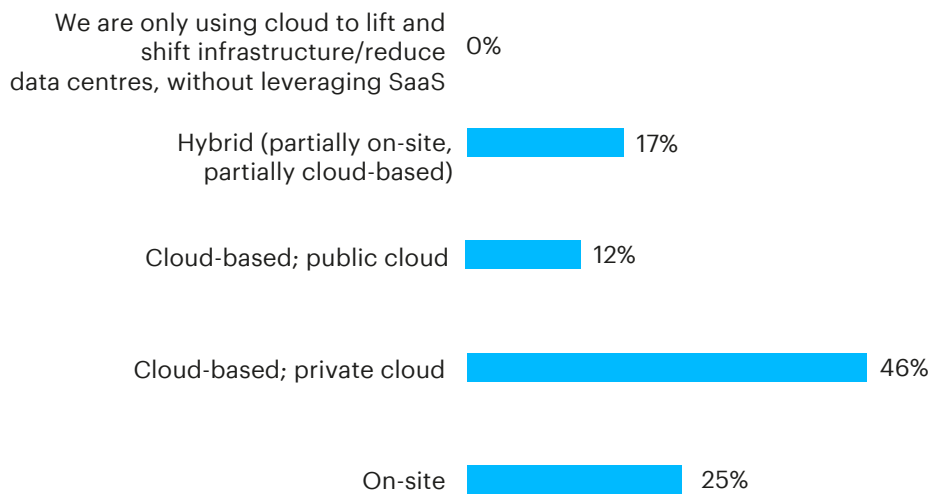
1

FROM 'JOURNEY TO THE CLOUD' TO 'JOURNEY IN THE CLOUD'

Enterprises have embraced the journey to the cloud and have undergone significant changes as a result. Our CIO survey shows that **three-quarters of UK executives** are already on some type of cloud. What's more, they're treating cloud not as an end in itself, but as a gateway to modernisation and as a platform for innovation. For them, cloud is a pathway to digital transformation, cost savings and vibrant new business models and strategies.

Q: Please indicate whether your primary solution is:

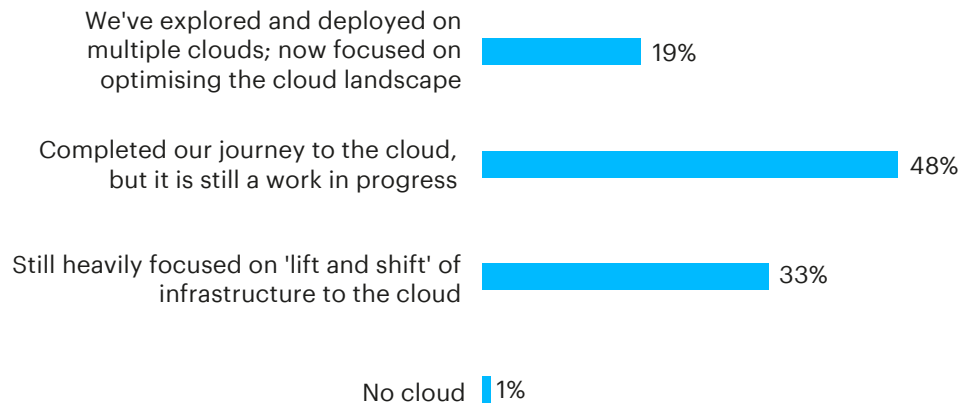|	
We are only using cloud to lift and shift infrastructure/reduce data centres, without leveraging SaaS	0%
Hybrid (partially on-site, partially cloud-based)	17%
Cloud-based; public cloud	12%
Cloud-based; private cloud	46%
On-site	25%

WHAT'S NEXT? NAVIGATING A MULTI-CLOUD WORLD

So what happens now that most enterprises are on the cloud? For one, the conversation is no longer about the 'lift and shift' of infrastructure. Indeed, our CIO survey confirms that **two-thirds of IT stakeholders have moved on from lift and shift.**

That doesn't mean, however, that their journeys to cloud are over. Almost half of CIOs surveyed say their cloud journeys are still a work in progress. But the focus is now shifting towards optimising a multi-cloud environment and embarking on a **journey within the cloud.**

Leading enterprises are using the disruptive power of the cloud to get ahead and transform operations. SaaS solutions provide standardised and cost-effective ways to simplify business applications in a modular fashion, taking advantage of new functionality and solutions to cut costs and improve agility.

Q: When thinking about your cloud strategy, what stage of your journey are you currently at?

We've explored and deployed on multiple clouds; now focused on optimising the cloud landscape — 19%

Completed our journey to the cloud, but it is still a work in progress — 48%

Still heavily focused on 'lift and shift' of infrastructure to the cloud — 33%

No cloud — 1%

Multi-cloud environments can create new challenges for traditional ERP deployments. Cloud-ready ERPs can help simplify and standardise. But, as ERPs expand beyond systems of record to become "systems of engagement", enterprises must be able to orchestrate data and logic across several different clouds (and providers). For ERP, it's critical to have an architecture that supports reliable data reconciliation across multiple clouds so that data is combined, processed and disseminated effectively and securely.

ACTIONS FOR A DIGITAL ERP:

1. **Make multi-cloud compatibility an essential feature.** Since ERP both drives the core of an organisation and extends out to its edges, it must have a multi-cloud environment already integrated and configured for common cloud services. For example, SAP has partnered with Google, Amazon and Microsoft to make SAP[©] solutions available on Google Cloud Platform, Amazon Web Services, and Microsoft Azure. In this way, SaaS solutions can be integrated around an SAP 4/HANA[©] digital core, using SAP Cloud Platform to add intelligence and services like data analytics.

2. **Use multi-cloud to expand what you can do.** When your ERP is capable of extending across clouds securely, new use cases can emerge. Look at the SAP Cash Application, which uses machine learning models to help automatically match payments to invoices as reliably as possible. Similarly, the SAP Digital Boardroom helps make informed business decisions by running ad-hoc analyses of sales, HR and other business data, regardless of whether the data is stored in an SAP data source or not (or whether that data is structured or not).

" Enterprises have embraced the journey to the cloud and have undergone significant changes as a result. Our CIO survey shows that three-quarters of UK executives are already on some type of cloud. What's more, they're treating cloud not as an end in itself, but as a gateway to modernisation. "

2

USE CORE ERP CAPABILITIES TO SCALE INNOVATION

As the core of the enterprise moves to the cloud, companies are augmenting ERP with intelligence and automation. Powered by artificial intelligence (AI), machine learning and analytics, these enhancements are not mere add-ons, but an integral part of the Digital ERP. The next step, however, is to use that intelligence to bring about real change, bridging business and functional silos and enabling the organisation to scale operations in real time.

THE TIME HAS COME TO USE ERP TO TRANSFORM INNOVATION ACROSS BUSINESS FUNCTIONS.

When combined with technologies such as AI and cloud, ERP offers almost limitless possibilities for transforming business processes. How? By driving efficiencies, bringing predictability to maintenance and saving time and effort. Yet most companies aren't realising anything close to the full potential on offer, generally choosing to apply new technologies to only a handful of processes (typically those that are customer-facing, like marketing and sales).

Where they have legacy processes that are difficult to change, some companies create external hubs to speed up innovation. But, even then, many don't establish the necessary connections from the hub to the rest of the organisation, meaning there is no way to 'transfer' innovations from specific silos and scale them across the enterprise. The result is sub-optimal value gain.

What's behind this inability to scale effectively? Frequently, it's the lack of a common enabler – such as a Digital ERP – that can help organisations bridge their internal silos. Our CIO survey shows that **less than 30 per cent of IT stakeholders completely agree that ERP is the primary enabler to bridge business and functional silos** (such as getting HR and finance to co-create a new financial plan or taking best practices from marketing and applying them to sales).

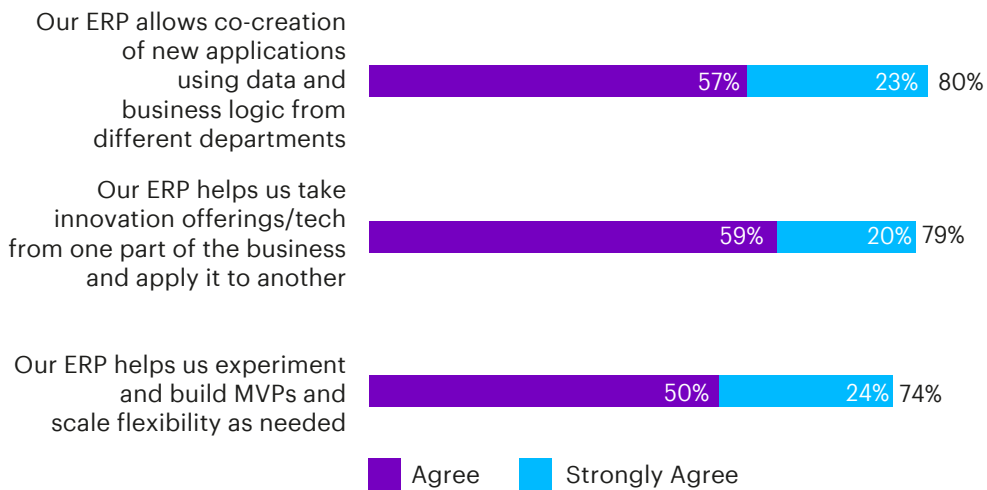**Q: How well does your ERP help in bridging across business/functions silos, e.g. getting HR and finance co-create to a new financial incentive plan, or taking best practices from marketing and applying them to sales?**

4. ERP is the primary enabler to bridge business and functional silos	29%
3. -	64%
2. -	6%
1. ERP is a hindrance to cross-department collaboration	2%
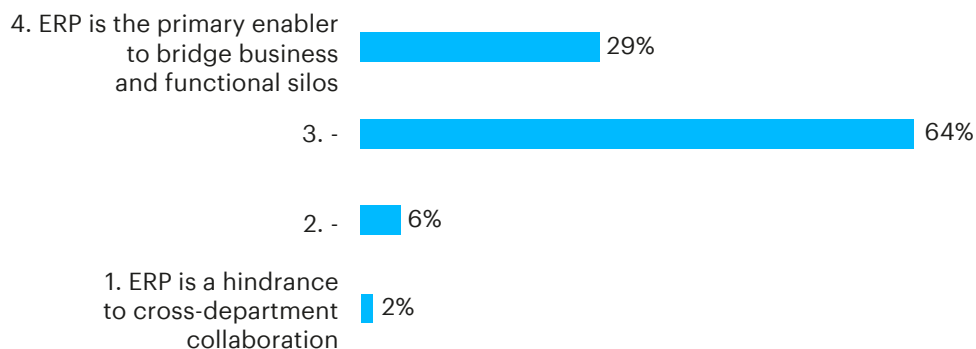
In scaling innovation effectively, it's essential to see the bigger picture and understand how each individual change impacts the whole. For example, Accenture's Future Systems research shows that **the top 10 per cent of companies globally (the "Leaders") transform three times as many processes as the bottom 25 per cent (the "Laggards")**.[4] When one process is in their sights, the Leaders ask what others might utilise the same technologies. They're always looking up and out, at the implications of one process investment on the company overall.

The good news is that UK CIOs are confident about their ability to use core capabilities to scale innovation. Our CIO survey shows that **over three-quarters agree their ERP allows for the co-creation of new applications using data and business logic from different departments.** This is helping CIOs take innovative offerings and technology from one part of the business and apply it to another, providing opportunities to experiment, build minimum viable products (MVPs) and scale flexibly as needed.

Q: Please select your agreement with the statements:

	Agree	Strongly Agree	Total
Our ERP allows co-creation of new applications using data and business logic from different departments	57%	23%	80%
Our ERP helps us take innovation offerings/tech from one part of the business and apply it to another	59%	20%	79%
Our ERP helps us experiment and build MVPs and scale flexibility as needed	50%	24%	74%

■ Agree ■ Strongly Agree

ACTIONS FOR A DIGITAL ERP:

1. Make your ERP intelligent and augmented at the core. Under 10 per cent of UK CIOs said that intelligent technologies are already a core part of their ERP, and less than a third say they're in the process of creating an intelligent ERP platform. This needs to be addressed. Those that actively extend their ERP with new technologies like predictive analytics, AI, machine learning and automation find they can unlock value faster and improve business decision making.

2. Rethink processes in parallel. At the same time, enterprises need to think about reimagining business processes across the organisation, targeting multiple processes with the same technologies. By simplifying and standardising, companies can better unlock innovation and reduce often clunky and complex customisations that create unbridgeable silos. That means using a core platform such as SAP's with a rich set of standard processes to reduce the need for customisation and complexity.

Q: Which, if any, of the following statements best describe how current ERP systems use intelligent technologies (such as Machine Learning, AI, automation, analytics, unified management tools etc.) to improve productivity and empower employees in decision making?

New technologies such as machine learning and intelligence are already a core part of our ERP
9%

We are actively extending our ERP with new technologies (predictive analytics, AI, machine learning, automation) to transform our ERPs into systems of intelligence
32%

Our current ERP is inflexible, but we are exploring options to extending our ERP with new technologies
44%

Our current ERP is complicated/inflexible and we intend to keep it as a system of record only
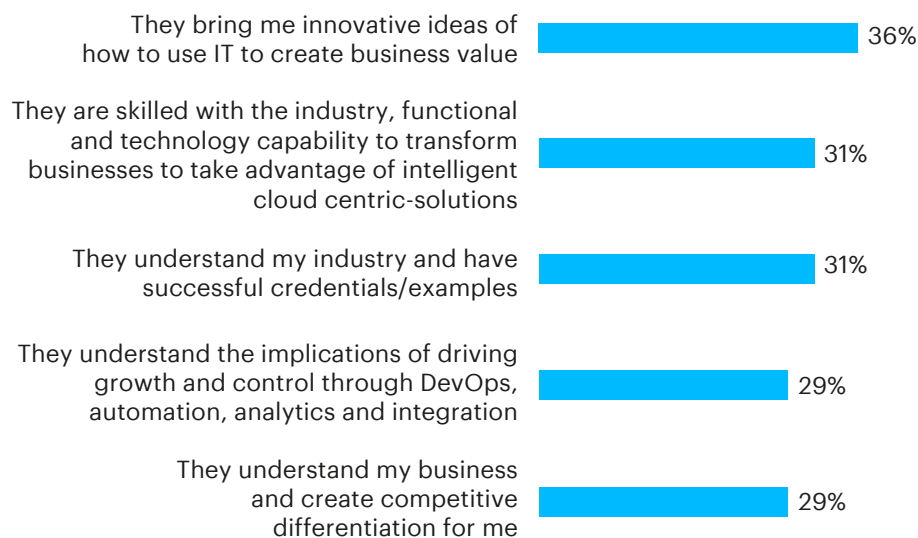**15%**

CLOUD CAPTAINS PROVIDE THE EDGE

Cloud Captains are companies that truly understand how to differentiate in the cloud paradigm. Unlike traditional service providers, they believe in co-creation, reimagining service delivery models, being technology agnostic and knowing the business inside out. More importantly, they understand the new cloud-based world deeply, including the implications of driving growth and controlling cost through DevOps, automation, analytics and integration. They also have the business process expertise to assist enterprises in fully taking advantage of public cloud 'as a Service' applications by optimising processes to align with standard service offerings.

Our CIO survey asked IT stakeholders in the UK which attributes they desired in their ideal services provider. The most popular? Bringing **innovative ideas** for using IT to create business value, providing **skills** (industry, functional, technology) for taking advantage of intelligent cloud-centric solutions, and offering **deep intrinsic industry understanding.** This means the onus is on IT players to continue to upskill, meeting the industry, functional and technology capabilities required to transform businesses and help them take advantage of intelligent cloud-centric solutions. **Over 40 per cent of UK CIOs believe it is essential that service providers have extensive skills and talent in major cloud platforms and are experts at implementing best practices for businesses and organisational changes that capitalise on intelligent cloud solutions.**

Q: When working with an IT Services Provider, which of the following attributes do you consider to be the most important? (Top 5)

Attribute	Value
They bring me innovative ideas of how to use IT to create business value	36%
They are skilled with the industry, functional and technology capability to transform businesses to take advantage of intelligent cloud centric-solutions	31%
They understand my industry and have successful credentials/examples	31%
They understand the implications of driving growth and control through DevOps, automation, analytics and integration	29%
They understand my business and create competitive differentiation for me	29%

Q: Which of the following additional skills do you consider essential in a cloud IT services provider? (Top 5)

They have extensive skills in major cloud platforms — 42%

They are experts at implementing best practices for businesses and organisational changes that capitalise on intelligent cloud solutions — 41%

They can demonstrate credentials of using cloud to drive business growth and control through DevOps, automation, analytics and integration — 39%

They are experts at navigating and integrating across different types of clouds, both public and private — 39%

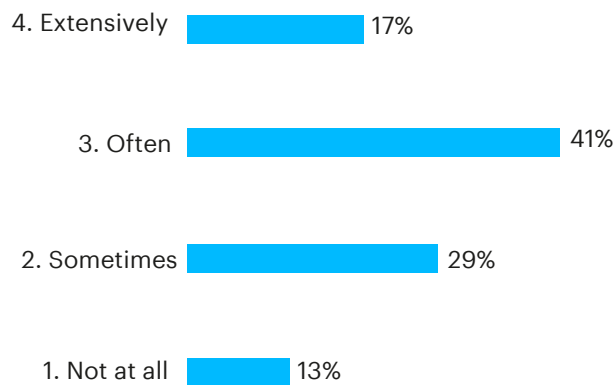They shield me from the complexities of cloud solutions/integration through their services — 38%

This is where the Cloud Captains excel. They can successfully combine innovation with the right team and the right execution (across strategy, consulting and technology) to make a true business-value-led transformation a reality. Indeed, Cloud Captains are key to finding and maintaining a competitive edge.

Innovation is a key weapon in the Cloud Captain's arsenal. Take Robotic Process Automation (RPA). When combined with AI, machine learning and other technologies, RPA initiatives can automate a range of activities throughout the organisation. And the marketplace appears to be buoyant. Just look at recent developments like Automation Anywhere's web-based cloud-native RPA-as-a-service Platform and Blue Prism's acquisition of Thoughtonomy, for example.

Yet, according to our survey of UK CIOs, **just 17 per cent say they're using RPA extensively in business processing** (with 41 per cent using it often). The survey also shows that customer relationship management, manufacturing resource planning, and HR-related tasks are the most common areas for RPA initiatives. This is a highly relevant space for ERPs and the employees that use them: as RPA adoption grows, finding the right collaborative balance between human and machine resources will be a key focus area for vendors and client businesses alike.

Q: To what extent do you use RPA (Robotic Process Automation) in your business processing?

4. Extensively	17%
3. Often	41%
2. Sometimes	29%
1. Not at all	13%

Q: What tasks do you use RPA for?

Customer relationship management	41%
Manufacturing resource planning	40%
HR-related tasks	38%
Supply chain management	36%
Financial tasks e.g. report generation	35%
Sales order creation	34%
Routine communications	32%

ACTIONS FOR A DIGITAL ERP:

1. Refactor, replatform, reimagine. Ensuring IT systems can adapt and respond to changing market conditions would appear to be an obvious priority. Yet many companies still seem to prefer to operate legacy silos, patching them as needed. Patching works in the moment, but it treats a symptom rather than the underlying cause. Lifting and shifting applications to the cloud is an improvement, but still sub-optimal. It reduces the IT costs of data storage and computation and introduces elasticity but still falls short of providing the strategic agility to maximise value, for which a more transformational approach is required. The goal should be to create a Digital ERP core around a real-time database with modular SaaS and intelligent applications within a uniform integrated architecture.

2. Cloud Captains can help infuse and build enterprise skills for the future. The reality of today is that skills reach obsolescence rapidly and job descriptions evolve faster than ever. Accenture's Future Systems study showed that respondents believe that, in the absence of reskilling, 52 per cent on average of their IT workforce skills and 47 per cent of their non-IT workforce skills will be obsolete in three years' time. It also revealed that 86 per cent of top companies (the "Leaders") use intelligent technologies such as AI, analytics and machine learning to predict and match worker training with required job skills and even rewrite job descriptions (compared with 35 per cent of the "Laggards").[5]

5. Accenture, 'How to scale and innovation and achieve full value with Future Systems'
Link: https://www.accenture.com/us-en/insights/future-systems/future-ready-enterprise-systems

"This is where the Cloud Captains excel. They can successfully combine innovation with the right team and the right execution (across strategy, consulting and technology) to make a true business-value-led transformation a reality. Indeed, Cloud Captains are key to finding and maintaining a competitive edge."
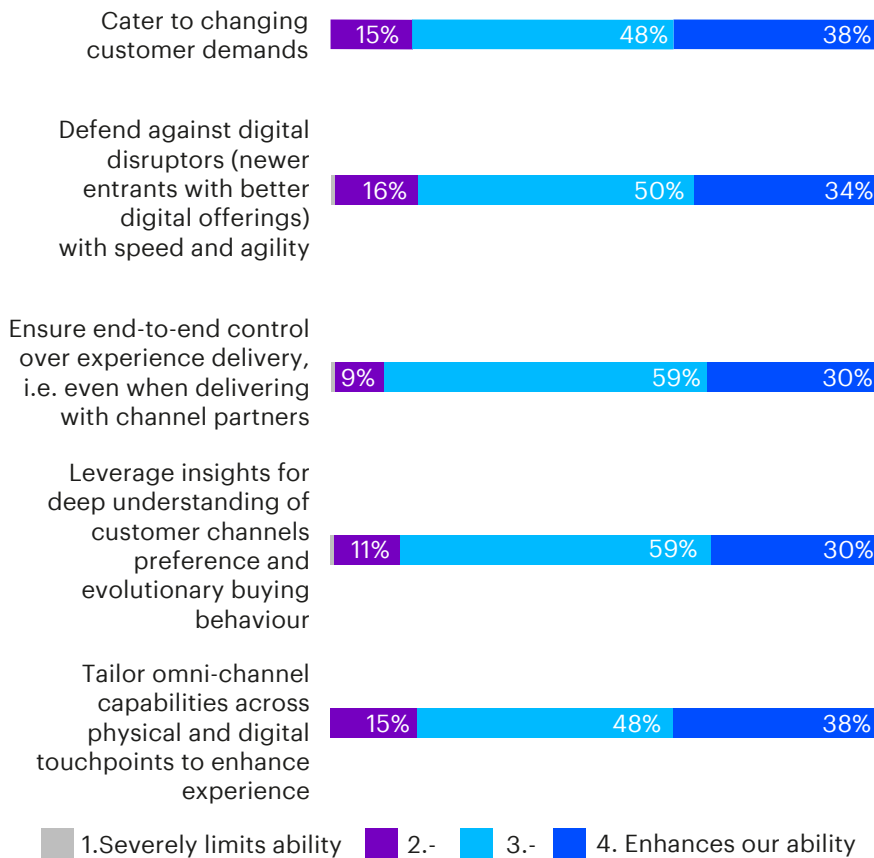
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BECOME HYPER-RELEVANT

Creating great customer experiences through personalisation has been front and centre for a long time now. But catering to a customer's unique needs and demands in isolation is no longer enough on its own to deliver a competitive advantage. Instead, it's now all about intelligent customer engagement: **understanding and creating a holistic, cross-channel or omnichannel customer experience.**
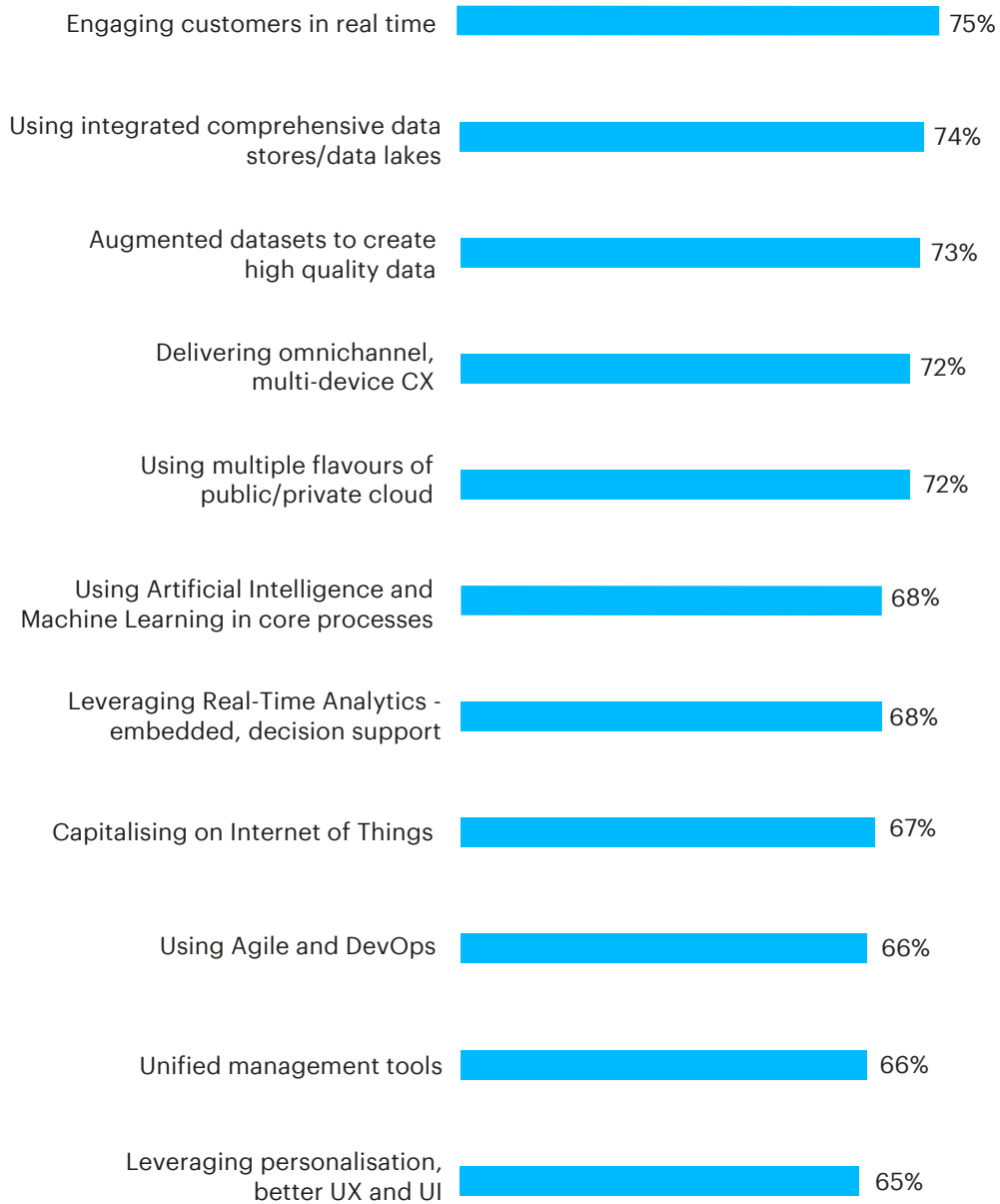
While 38 per cent of UK CIOs agree that their ERP enhances their ability to cater to customer demands, just 25 per cent agree that their ERP enhances their omnichannel capabilities. These capabilities are essential. To win in the coming years, businesses must acquire a deep understanding of not just customer channel preferences but also customer preferences themselves. And they must use those insights to tailor omnichannel capabilities across both physical and digital touchpoints to enhance customer experiences.

Q: To what extent does your ERP allow you to do any of the below?

	2.	3.	4.
Cater to changing customer demands	15%	48%	38%
Defend against digital disruptors (newer entrants with better digital offerings) with speed and agility	16%	50%	34%
Ensure end-to-end control over experience delivery, i.e. even when delivering with channel partners	9%	59%	30%
Leverage insights for deep understanding of customer channels preference and evolutionary buying behaviour	11%	59%	30%
Tailor omni-channel capabilities across physical and digital touchpoints to enhance experience	15%	48%	38%

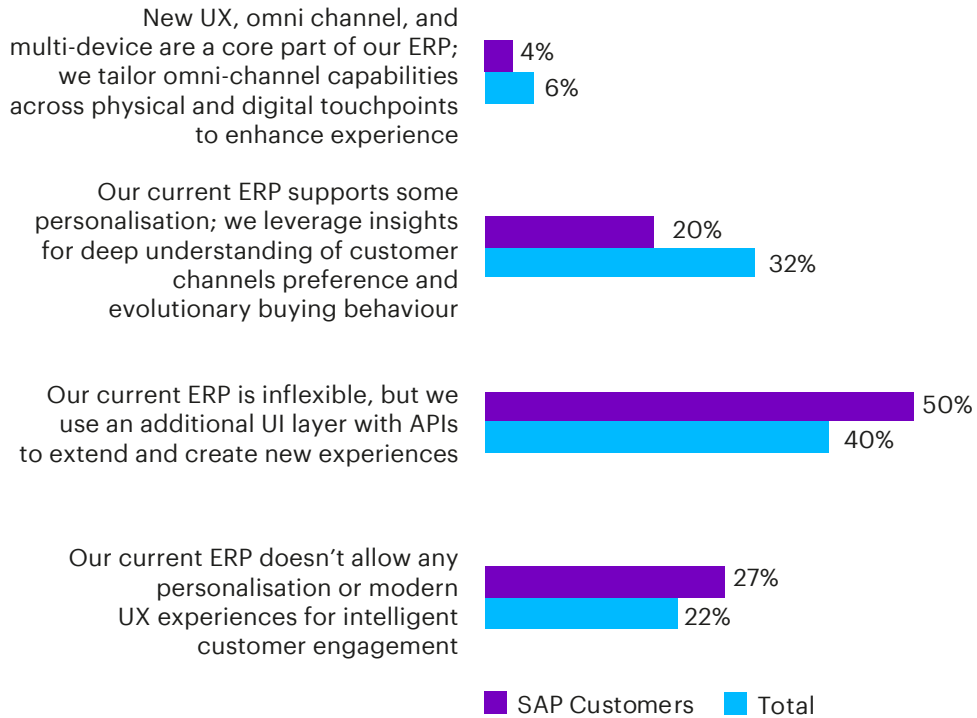1. Severely limits ability   2.-   3.-   4. Enhances our ability

Our survey shows where CIOs are investing in customer experience today. **Three-quarters of respondents say they're investing heavily in engaging customers in real time,** while similar numbers say they're investing in using integrated comprehensive data stores/data lakes or augmenting datasets to create high-quality customer centric data.

Q: Please rate each statement in terms of current immersion and investment level. (Respondents who selected 4 or 5 out of 5, where 5 is full immersion and investment.)

Statement	Percentage
Engaging customers in real time	75%
Using integrated comprehensive data stores/data lakes	74%
Augmented datasets to create high quality data	73%
Delivering omnichannel, multi-device CX	72%
Using multiple flavours of public/private cloud	72%
Using Artificial Intelligence and Machine Learning in core processes	68%
Leveraging Real-Time Analytics - embedded, decision support	68%
Capitalising on Internet of Things	67%
Using Agile and DevOps	66%
Unified management tools	66%
Leveraging personalisation, better UX and UI	65%

The way enterprises leverage ERP systems for intelligent customer engagement (such as integrating voice assistants with the ERP) will form an essential part of the technology battlefield in the years to come. The outcome of this battle will be determined by those organisations that can be truly hyper-relevant, and those that can't. Ingenuity will be required. For example, our survey shows **40 per cent of UK CIOs, and 50 per cent of SAP customers, admit their ERP is currently inflexible, but are using an additional UI layer with APIs to extend and create new experiences.**

Q: Which of the statements best describes how your current ERP systems allow for intelligent customer engagement (understanding and creating a customer experience e.g. integrating Alexa for ERP)?

New UX, omni channel, and multi-device are a core part of our ERP; we tailor omni-channel capabilities across physical and digital touchpoints to enhance experience
- 4%
- 6%

Our current ERP supports some personalisation; we leverage insights for deep understanding of customer channels preference and evolutionary buying behaviour
- 20%
- 32%

Our current ERP is inflexible, but we use an additional UI layer with APIs to extend and create new experiences
- 50%
- 40%

Our current ERP doesn't allow any personalisation or modern UX experiences for intelligent customer engagement
- 27%
- 22%

■ SAP Customers   ■ Total

ACTIONS FOR A DIGITAL ERP:

1. **Develop connected commerce.** Every interaction with a customer, employee or business partner is an opportunity to create an impactful, relevant and memorable moment. To capitalise on this "market of one", companies should ensure their commerce offerings are ubiquitous across the myriad possible touchpoints the digital world creates. That's true, not only in a company's own offerings, but also in those with ecosystem partners. This takes a business beyond "consistent omnichannel experiences" (which are simply table stakes in a digital world) and instead helps them create truly differentiated, customised, in-the-moment experiences. But this kind of advanced e-commerce cannot succeed in a silo. It needs deep integration with the sales environment to ensure the salesforce is accurately incentivised, especially amid shifting customer priorities. This is where solutions from providers like SAP are key. With SAP S/4HANA and C/4HANA at the core, organisations can use SAP Commerce and SAP Billing together, better supporting the salesforce (and resellers/partners) as they create new digital selling models, such as converting services to productised services, or offering products as services.

2. **Invest in "Living Marketing".** A hyper-relevant marketing function is digitally native and dynamic at its core. It both feeds into and leverages sophisticated marketing attribution analysis to understand customer and influencer actions throughout entire ecosystems. The result? Companies are far better placed to gauge the value of each marketing campaign and identify additional levers to unlock trapped value cost-effectively. For instance, SAP's recently acquired Qualtrics platform provides companies with real-time insights into their brand, product, customer, and employee experience. The combination of traditional operational data in, for example, SAP S/4HANA or C/4HANA© and real-time experience data is extremely powerful and is the key to understanding each customer's unique digital identity. Moreover, using SAP C/4HANA Marketing Cloud, companies can go beyond simply "learning" and start taking actions with real impact.

3. **Make customer engagement intelligent.** Innovative and intelligent customer service is central to the hyper-relevant customer experience. Powered by AI, companies can build deeper and more meaningful customer engagement, using intelligent predictive services that anticipate needs as well as a "boundaryless" after-sales service. But to do so, they need a unified platform that can bring together events from myriad different channels and avenues (social, physical, commerce, customer experience and operational). Intelligent customer engagement needs capabilities which are scalable, which operate in real-time, and which can deliver individual experiences to a market of one. It also needs predictive service management, AI, and in-memory platforms – all of which are a core part of a modern ERP vendor's solutions set, such as the SAP C/4HANA Service Cloud.

// Every interaction with a customer, employee or business partner is an opportunity to create an impactful, relevant and memorable moment. //

5

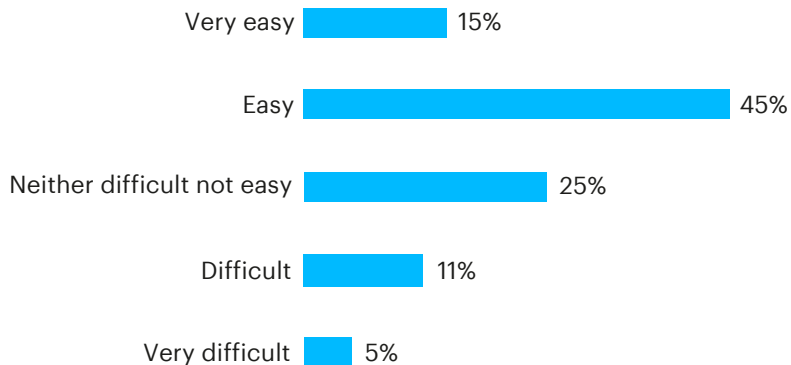# FUEL INSIGHTS WITH HIGH-QUALITY DATA

Quality data plus insight equals business success. While most companies realise the value of their data, many seem reluctant to invest in the smaller high-quality data pools that are currently trapped in legacy ERPs. Indeed, Accenture's Future Systems research found that the "Laggards" (the low performers) tend to invest in technologies that simply create more data, mostly from external sources,[6] rather than exploit existing data better.

The alternative approach is to invest in cleaning up complex in-house data architectures with techniques like digital decoupling. A big majority (80 per cent) of those that don't have effective decoupling methods invest in big data analytics, streaming data capabilities and data lakes. But without the right decoupling strategy, such an approach simply creates bigger pools to store new data in, while ignoring the high-value smaller datasets that already sit inside the company.

Having lots of data is one thing. But having the right data, and being able to access and analyse it efficiently, is another. Indeed, it's becoming more and more integral to business success. Our CIO survey demonstrates that there is clear trapped value within organisations. **A significant proportion (40 per cent) of UK CIOs surveyed are not finding it easy to access, analyse or even use enterprise and customer data for better decision making.**

Q: Please rate the quality and completeness of your enterprise and customer data – how easy is it to access, analyse and use for business decision making?

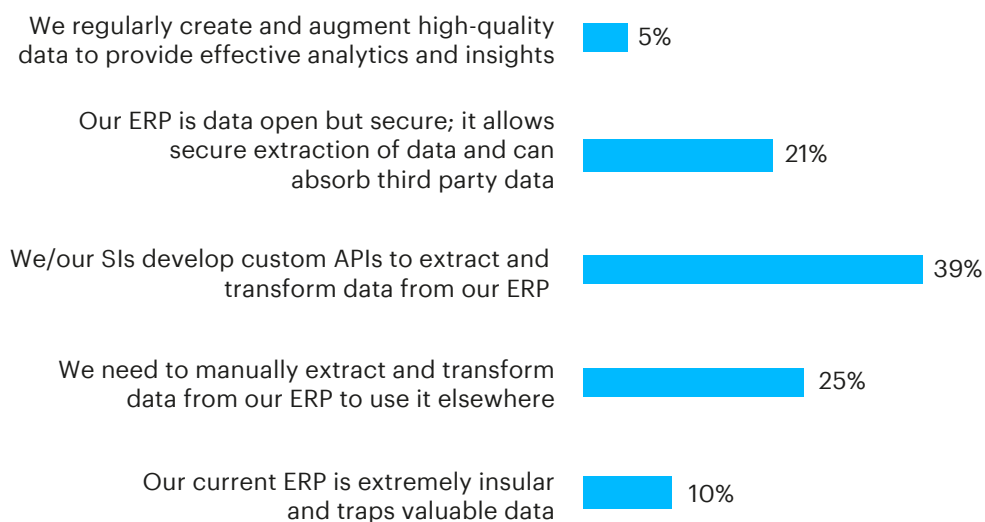| Category	Percentage
Very easy	15%
Easy	45%
Neither difficult not easy	25%
Difficult	11%
Very difficult	5%

Leaders, on the other hand, are moving towards a decoupled approach for their data, infrastructure and ERP, enabling greater flexibility and a faster-moving IT culture. They view data as both an asset and a liability, so they look to ensure data quality, create security measures that anticipate threats, and build ethically responsible frameworks for managing data and AI. For example, 90 per cent of the "Leaders" in Accenture's Future Systems research ensure data quality, while only 40 per cent of "Laggards" do so. And, while 90 per cent of Leaders continue to enrich their data, just 54 per cent of Laggards say the same.

6. Accenture, 'How to scale and innovation and achieve full value with Future Systems'
Link: https://www.accenture.com/us-en/insights/future-systems/future-ready-enterprise-systems

This is all the more pertinent with the proliferation of cloud solutions and the emergence of the "journey in the cloud" (see Trend 1 above). In future, there will be a growing focus on data as CIOs look to aggregate it across public and private clouds and effectively integrate it with legacy. Some 80 per cent of UK CIOs say they are satisfied with how their organisation aggregates and augments public/private cloud and legacy data. **But just 5 per cent say that they are using their ERP to directly create and augment high-quality data, which is key to effective analytics and insights.**

Q: Which of the following statements best describes how your current ERP systems leverage insights and create/use high quality data?

We regularly create and augment high-quality data to provide effective analytics and insights	5%
Our ERP is data open but secure; it allows secure extraction of data and can absorb third party data	21%
We/our SIs develop custom APIs to extract and transform data from our ERP	39%
We need to manually extract and transform data from our ERP to use it elsewhere	25%
Our current ERP is extremely insular and traps valuable data	10%

ACTIONS FOR A DIGITAL ERP:

1. **Think about your data in a multi-cloud world.** While transforming the ERP in the cloud, be ready to build a consistent and cohesive data journey that includes data from multiple clouds and on-premise applications. This is challenging to get right. It may need strategies such as data tiering and optimisation.

2. **Incorporate a digital core with real-time access to transactional data through APIs.** No digital core can be truly successful without access to all data, including transactional and real-time data. Using APIs, connect 'as a Service' business applications and intelligence in a simplified, modular and agile ERP architecture.

3. **Leverage clever integration and intelligent solutions to create a more productive and truly Digital ERP.** Use modularisation, simplification, and standardisation to create a holistic architecture around a digital data store in real time. This will form the basis of the flexible and agile solutions needed to support businesses in an ever-changing, disruptive world, generating better insights and improving business decision making.

CONCLUSION:
THE ERP IS THE KEY TO THE VALUE-DRIVEN ENTERPRISE

The five trends identified in this report reflect the pace of change in today's ERP landscape, as well as its challenges and possibilities. Seen together, the trends offer enterprises a template for kickstarting a journey to new and sustained value with a truly Digital ERP. Indeed, the survey results highlight a stark contrast between those organisations that are using a Digital ERP as a competitive and differentiating backbone and those who are still using their ERP tactically. The main difference between them? The leaders ensure their ERP moves in tandem with – or ahead of – their business aspirations. With the coming year set to be full of further volatility and unpredictability, creating and sustaining value from ERP modernisation is all the more important. The trends in this year's report reveal the key habits needed to help businesses do so, and prepare their organisations to thrive as agile and customer-centric enterprises. It's time to let your Digital ERP shine!

With all the possibilities on offer, where could your business be this time next year?

JOHN ERIK ELLINGSEN
Managing Director,
SAP Business Group Lead UK and Ireland
john.erik.ellingsen@accenture.com

SURYA MUKHERJEE
Technology Research Lead,
Accenture Research UK and Ireland
surya.a.mukherjee@accenture.com

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