



Digital Transformation and the Art of the Possible: An Innovation Opportunity with SAP and Microsoft

FROST & SULLIVAN VISUAL WHITEPAPER

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Digital Transformation is Coming—for Business and IT

Business leaders know that digital transformation can have a significant impact on business performance. But forward-thinking organizations are also using it to reimagine the role of IT. That's because when companies leverage the cloud to deliver mission-critical business applications, they free up some of their IT professionals to focus on more strategic initiatives—without giving up any of the cloud's foundational benefits, including better performance, stronger security, simpler scalability, greater accessibility, and more agility in an ever-changing world.

Just as enterprise resource planning (ERP) changed the game when it first appeared on the corporate landscape, today's cloud-based systems are allowing companies to make a once-in-a-generation shift in how they and their employees interact with customers, partners, manufacturers, suppliers, and each other.

In a recent Frost & Sullivan survey of more than 800 IT decision-makers, improving operational efficiencies is a top priority, along with growing revenue and boosting creativity and innovation. And guess who's driving those digital transformation initiatives? IT. In 65% of organizations surveyed, the IT department is responsible for spearheading the adoption of new enterprise digital solutions in conjunction with line of business managers and the C-suite. **But when technologists evaluate the benefits of digital transformation for the business overall, they should also consider the benefits of digital transformation to their own IT organization.**

Top Four Business Objectives for 2023



Growing revenue



Boosting creativity and innovation



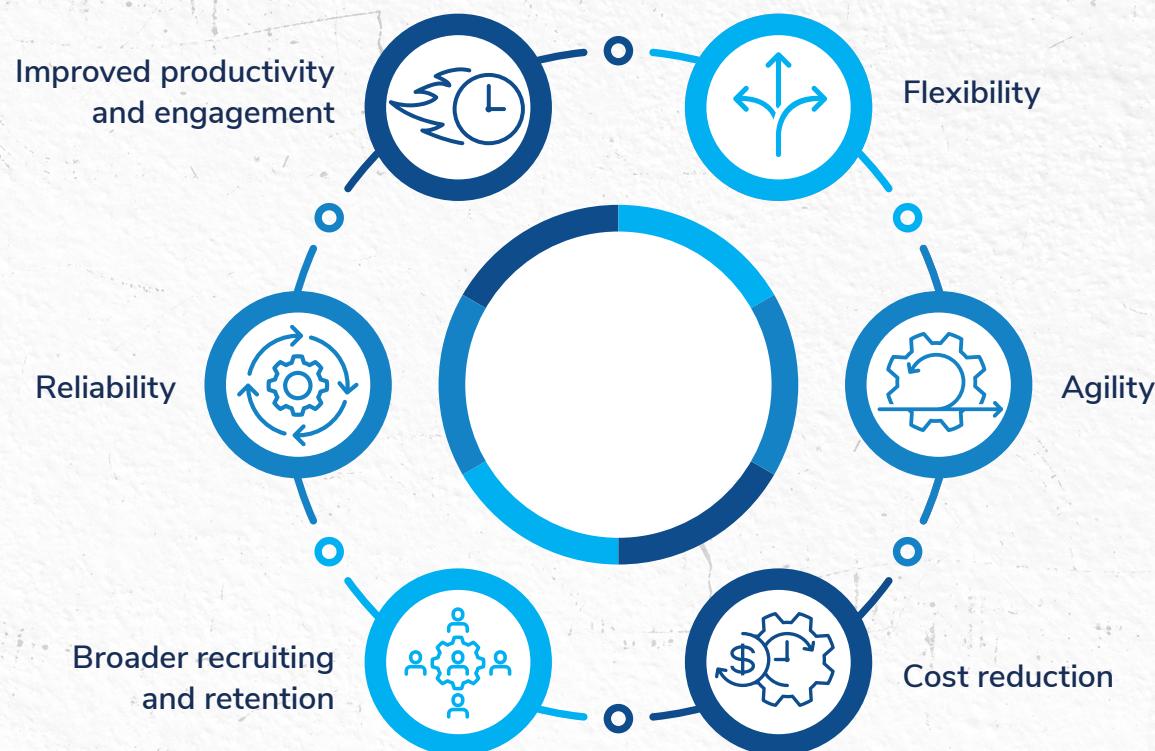
Enhancing sales and marketing effectiveness



Improving customer experience and satisfaction



Smart business leaders are embracing the benefits of a hybrid model



Companies with an on-site workforce must prepare for the worst and be ready to immediately transition to a work-at-home model, thus avoiding any gaps in business execution or customer experience.



How IT Benefits from Moving to the Cloud

When asked to rank the importance of several top technologies to their organization, the largest number of IT decision-makers put the cloud first—ahead of even big data analytics, artificial intelligence, and machine learning. A remarkable 87% of respondents agree that the cloud is the most important part of their digital transformation strategy, that a cloud strategy is essential to remaining competitive in their industry, and that they have adopted a cloud-first approach to new IT initiatives.

IT leaders recognize that the best way to initiate and scale digital transformation efforts is via the cloud.

One of the biggest reasons for this is the need to manage the ever-growing amount of data that companies are collecting, processing, and (ideally) using in their day-to-day operations. This need is driven by the use of increasingly advanced enterprise software that leverages algorithms to help users—from the production line and accounting office to the sales force and service desk—make better-informed decisions faster. But the challenge lies in managing all that information—everything from storage and access to security and compliance—especially considering how many forms it comes in.

This is one of the many areas where the cloud shines. By managing the massive data your company collects in the cloud—whether it's structured, unstructured, or something in between—you can count on your information being secure, safe, and available to your employees whenever and wherever they need it.

That's on top of the other benefits the cloud offers, including scalability, flexibility, agility, easy onboarding and offboarding of new employees, and a steady, transparent pricing structure that makes budgeting simple. You also get built-in disaster recovery because all your critical data and related services reside in the cloud and are protected by fail-over databases designed for just that purpose. And you'll free up your IT staff to focus on more strategic, growth-driving initiatives, rather than mundane operations.

Distribution of data: structured, semi-structured, and unstructured



40%

Structured data



31%

Semi-structured data



29%

Unstructured data

91% of IT decision-makers say the cloud is a key to achieving their business priorities.



Improve Security, Performance, Scalability, and Agility

Frost & Sullivan data shows that when it comes to ERP deployments, IT managers are most concerned about keeping their data, networks, and applications safe and secure. But they are also paying close attention to performance, especially in a hybrid environment in which employees are working from a mix of remote and in-office locations. Applications and the infrastructure that supports them must be flexible and scalable, delivering agility in a constantly changing world.

The best way to ensure all these priorities are being met is to pair your cloud-based ERP system with back-end infrastructure services that are purpose-built for enterprise use. You want a system that delivers high availability and recovery; can handle multiple workloads of any size at any time; offers intelligent insights for real-time monitoring, management, and cost optimization; and leverages automation to streamline processes and development.

Key Priorities for ERP Deployments

- Secure remote access for all users—including employees, suppliers, and customers
- Certified data centers that are cost-effective and scaled right for the business
- Responsiveness and agility for constantly changing times
- Accessible data, making real-time insights easy across the organization
- Ability to innovate without sacrificing business results





Major benefits of using cloud services in digital strategy implementation

In a recent Frost & Sullivan survey, IT decision-makers weigh in



43%

Improved security and compliance reporting for managed workloads



43%

Faster delivery time for managed workload functionality



36%

Reduced operational or labor costs



46%

Improved and optimized performance of managed workloads



48%

Improved ability to provide better service to internal and external customers



38%

Ongoing cost optimization for running workloads in the cloud

Single sign-on is critical for cloud-based ERP solutions. Look for a provider that makes it easy to identify users and grant access from any device and any network.



Shore Up Disaster Recovery and Business Continuity

Business continuity/disaster recovery (BCDR) plans are a key component of today's business operations, from back-office functions like ERP, finance and accounting and supply chain management to the customer experience and employee communications. In the face of increasing ransomware attacks or threats to physical plants and employee resources—whether caused by epidemic illness, natural disasters, or human-created events—companies must be able to support a flexible workplace, 24/7.

Whatever the cause, sudden change can wreak havoc on business operations, which does major damage to the company's profits and reputation. When customers can't get through, the costs can be substantial, and the negative effects can last well beyond the interruption itself.

Companies that support fully remote or hybrid work get an added bonus: the ability to quickly and easily react when disaster strikes. After all, if employees are already working away from the office, companies might not even need to respond to disruptive events. But even for organizations with an on-site workforce, the ability to pivot on a dime is crucial for maintaining productivity and customer value. In short, they must deploy their IT infrastructure in such a way that allows them to switch from an in-person model to a remote one in a matter of hours, not days or weeks.



In a recent Frost & Sullivan survey, 41% of IT decision-makers say they've seen better BCDR thanks to cloud deployments.



Create a Foundation for Innovation

Hiring and retaining talent is top-of-mind for almost all IT leaders. The best way to improve these metrics is to give your team a reason to go to work every morning. While “keeping the lights on” is foundational for any IT department, it’s important to offer rewarding opportunities for employees to gain new skills, tackle new challenges, and grow the business.

But once you outsource your ERP infrastructure to a trusted partner, you free up more of your IT staff to focus on innovation and creativity—and to produce ideas and solutions that will positively impact the company and its bottom line.

First, technologists can work with business leaders and end users to develop functionality that addresses key pain points and will be used every day to improve business outcomes. Whether it’s leveraging business intelligence to make it easy for non-technical users to create meaningful dashboards and reports, connecting the ERP solution to other back-office and communications software for better collaboration, sharing insights across the organization with the tap of a button, or using low-code tools to build new apps, IT can show business users how to transform the way they work with customers, suppliers, and one another.

IT can also help business units think creatively as they reconsider everything from the customer experience to the supply chain. By integrating key technologies based on user feedback, IT can break down internal silos and streamline workflows; implement secure, reliable Internet of Things (IoT) capabilities; deploy next-generation supply chain operations; create chatbots and other automated experiences to enable smoother customer support interactions; and facilitate community and cooperation inside and outside the organization.



In a recent Frost & Sullivan survey, 35% of IT decision-makers say cloud deployments let them refocus staff on higher-value work.



Luminous Lights Up Digital Transformation Using RISE with SAP on the Microsoft Cloud

When it comes to innovation, Luminous is by no means in the dark. The manufacturer has been producing cutting-edge products in the power backup, battery, home electrical, and solar spaces for the past 30 years, with a presence in 36 countries, 6,000 employees, 60,000 channel partners, and millions of customers. With growth like that, it was only logical that Luminous turn its innovative powers on itself. The company recently launched an aspirational transformation roadmap to develop the digital core it needs to operationalize innovation.

"We have a 4C digital strategy in place, which stands for Connected People, Connected Products, Connected Processes, and Connected Plants," says CIO Chander Khanduja. "We made RISE with SAP on Azure and the Microsoft Cloud the backbone of our digital journey—it helps us innovate, integrate, and extend our capabilities on both cloud and hybrid platforms."

For Luminous, bringing these two digital powerhouses together just made sense. Since its founding, Luminous has used SAP and Microsoft as strategic providers. More recently, the company implemented Azure services for disaster recovery and in support of its IoT products. When the company began to add more SAP cloud solutions, it decided to migrate its entire SAP landscape to Azure. By joining the two, Luminous not only brought both long-term technology partners under one service-level agreement, it also better integrated operations and technology support.

For Luminous, it's all about the integrations. The company points to the real transformational value gained from its enhanced stability and security combined with the ease of integration facilitated by SAP on Azure and the Microsoft Cloud. For example, the company's developers created a sales bot called SalesKUBE that sends customer data directly from the SAP system to Teams to better integrate real-time data into sales workflows and streamline sales processes. "[Now] there's only one version of the truth available to salespeople," says Khanduja. "They can work way more effectively with all our customers, dealers, and distributors."

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"Having SAP BTP on Azure and integrated with Teams has really changed the way in which we work. It's created a lot of operational efficiency because now the data is coming in real-time."

—Chander Khanduja, CIO



Standard Chartered Bank Leads by Example with Intel, Microsoft, and SAP

Already a leader in digital experiences among financial institutions, Standard Chartered Bank updated its digitalization and technology strategy in 2021 to derive 50% of its income from new businesses. The company took a three-pronged innovation approach that includes transforming its core via digitization—and to that end, it has doubled its yearly spending on strategic initiatives to \$1 billion. Standard Chartered is modernizing its core business systems on Microsoft technology and leveraging the agility, flexibility, and continuity RISE with SAP provides to improve its decision-making across a complex network of international financial markets.

Standard Chartered has made operating synergy a focus of its digital experience initiatives. Its modern architecture, enabled by digital technologies, has helped score measurable improvements in three areas: the elimination of manual processes in its central treasury systems; the ways in which critical systems like front office, risk, and regulatory reporting connect with each other and drive efficiency and employee productivity; and the consolidation and democratization of data that fuels real-time decision-making. The architectural backbone of RISE with SAP, powered by 3rd Gen Intel® Xeon® Scalable Processors and optimized with Intel® Optane™ persistent memory, is designed to give leaders the opportunity to make those improvements in the most frictionless way possible.

“Really good CFOs not only have a 360-degree view of the business and operations, but also a vision of the future—being able to identify new business opportunities while keeping risks under control. It’s not just about numbers, it’s about people, culture, and technology,” —Andy Halford, Chief Financial Officer, Standard Chartered Bank.

Ultimately, the efficiency and opportunities for innovation facilitated by digital transformation benefit customers, too. “The starting point for me is always, ‘What would customers be delighted by? What would make their lives easier?’ Then, ‘What are the metrics that go with assessing that?’ It’s a fascinating, highly strategic part of a CFO’s role because it’s quite complex and there are many, many different technologies and tool sets one can push on.”

With the vast majority of SAP on Microsoft Azure customers running on Intel processors, customers benefit from pre-validated, certified SAP HANA Cloud instances that help grow business value from faster insights, future-proof their cloud investments, and achieve high return on cloud investments.



Wolverine Worldwide and RISE with SAP on Azure: Fit for Digital Transformation

See why footwear and apparel company Wolverine Worldwide chose RISE with SAP on Azure to simplify business operations, drive deep relationships with customers, and empower its staff to focus on brand differentiation with a landscape for tomorrow.





SAP on Azure Helps Chobani Satisfy Its Appetite for Quality and Innovation

Chobani began humbly in 2005, when founder Hamdi Ulukaya bought a shuttered yogurt plant in upstate New York. Today, Chobani is much more than a yogurt company. It produces oat milks, ready-to-drink cold brew coffee, plant-based and dairy coffee creamers, and oat-based probiotic drinks while investing in communities and donating products to those in need. As the company rapidly grew, it operated as a start-up and often moved ideas from concept to market in just six to eight months.

"We couldn't build IT infrastructure quickly enough to accommodate the fast pace of our business," says Shahid Khan, Senior Director IT Infrastructure and Security at Chobani. After the company evaluated ERP systems, it decided to adopt SAP S/4HANA. Next, Chobani needed to select the best cloud platform for its SAP environment. Microsoft Azure appealed most for its agility, pay-as-you-go cost structure, and easy interoperation with the company's existing environment. The company already used Windows 10, Windows Server, Microsoft SQL Server, Office 365, and Azure Active Directory, and adopting Azure fit with Chobani's business objectives, such as building true disaster recovery capabilities, supporting SAP analytics without impacting production servers, and improving productivity.

"Running SAP S/4HANA active-active on Azure has definitely boosted our availability, and we aim to get to near-zero downtime maintenance," says Khan. "Now that our reporting provides up-to-date details into inventory and production levels and other variable information, the business can respond faster to market conditions and make data-driven decisions."

By moving to Azure, Chobani can easily spin up the SAP S/4HANA instances it needs without upfront costs. By spinning up virtual machines for disaster recovery testing and then removing them after the test, Chobani saves any costs of added hardware. The company also continues to prepare for the future by exploring AI, machine learning, and Azure Logic Apps. "With Azure, we have the agility to spontaneously scale up as needed and make sure that infrastructure never becomes a bottleneck," says Agrawal. Adds Khan, "We became more nimble and agile with Azure. We can build whatever we need without overbuilding."

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To take Chobani to the next level, we needed to move to the cloud," says Parag Agrawal, CIO at Chobani. "We wanted a simple, streamlined platform for both our front-end applications and our back-end systems."



Frost & Sullivan Recommends

Not every cloud provider can meet the needs of every business—especially when the goal is to reimagine and transform how work gets done. When a company is considering moving its ERP system to the cloud, several key criteria stand out:

- ▶ Seamless data migration
- ▶ Integration with third-party apps
- ▶ Best-in-class identity management and governance
- ▶ Advanced security, including network security and ransomware protection
- ▶ Real-time data analytics with predictive intelligence and visualization
- ▶ Innovation through partnerships and programming support
- ▶ Robust, scalable compute options for all workloads
- ▶ High availability, business continuity, and disaster recovery
- ▶ A range of storage options that can scale to meet your needs
- ▶ Built-in, centralized management
- ▶ Cost optimization



To learn more about SAP on the Microsoft Cloud, please visit

[https://azure.microsoft.com/solutions/sap.](https://azure.microsoft.com/solutions/sap) →

For additional insights, you can also watch the webinar

[How to Drive Digital Transformation: RISE with SAP on Azure.](#) →

GROWTH IS A JOURNEY. WE ARE YOUR GUIDE.

For over six decades, Frost & Sullivan has provided actionable insights to corporations, governments and investors, resulting in a stream of innovative growth opportunities that allow them to maximize their economic potential, navigate emerging Mega Trends and shape a future based on sustainable growth.

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