



360° Customer Feedback: SAP ERP 6.0 Upgrade Adoption

Final Results

Confidential Information

Background Information

- The 360° Customer Feedback initiative allows SAUG to provide independent, customer focused and neutral feedback on SAP products, services, experience, etc. to SAP Senior Management.
- This study focuses on Upgrade Adoption of SAP ERP 6.0 to get feedback on the Upgrade decision making process (plan) and its execution (build).
- The Scope of the study and content were developed and edited by the following SAUG representatives:
 - SAUG Board Members
 - Martin Riedel, SVP, Head of Global Upgrade Office, SAP AG
 - Stefan Kneis, Global Head of SAP Customer Community Program, SAP Executive Liaison, SAP AG

Agenda

1. **Management Summary**
2. **Feedback Results in Detail**
 1. Current Situation
 2. Reasons for Upgrading / Not Upgrading
 3. Project Planning, Duration / Effort
 4. Perceived Challenges Preparing / Executing Upgrades
 5. What SAP Can Do to Improve Upgrade Process
 6. Use of External Assistance
 7. Use of Existing SAP Services
 8. Use of SAP Solution Manager
 9. Use of Information Sources
 10. Demographics

Management Summary (1/5)

Number of Responses, Qualifying Criteria, Qualified Participants

- Total number of respondents: 46 (represented by 46 unique organizations)
- Qualification criteria:
 - Must have SAP ERP installed at organization
 - Respondent must know most recent SAP ERP release at organization
 - Respondent must have some role in upgrade decision
- Qualified participants' upgrade role (Q4):
 - Decision makers: 28%
 - Co-Decision makers: 28%
 - Influencer IT capacity: 39%
 - Influencer Non IT capacity: 4%

Management Summary (2/5)

Current Situation

- Release currently in use (Q1B):
 - SAP ERP 6.0: 35%
 - SAP ERP 2004: 7%
 - SAP R/3 4.7: 15%
 - SAP R/3 4.6C: 33%
 - Prior to SAP R/3 4.6C: 11%
- 93% are 'Satisfied' or 'Very Satisfied' with current release (Q2)
- 67% have prior experience with SAP upgrades (Q18)
- Upgrade status (Q6):
 - Already upgraded: 28%
 - In progress: 15%
 - Planning to upgrade: 37%
 - Still deciding: 11%
 - No upgrade planned: 9%

Management Summary (3/5)

Major Findings

- Top reasons for upgrading / not upgrading (Q7):
 - + End of Standard Maintenance: 74%
 - + Latest Technology: Eh Pack. 65%
 - Conflicting business priorities: 54%
 - Time/effort to upgrade: 42%
- Upgrade is less difficult than expected (Q10 by Q6)
(% saying difficult or very difficult by upgrade stage):
 - Already upgraded: 15%
 - Already in process: 29%
 - Planning to upgrade: 35%
 - Still deciding / still unsure: 40%
 - No upgrade planned: 0%

Management Summary (4/5)

Major Findings

- Perceived challenges preparing / executing upgrades:

Preparing

- Estimate cost, effort and duration: 85%
- Define business case, justify budget: 83%
- Define/allocate project resources: 50%

Executing

- Efficient testing: 72%
- IT infrastructure/sizing: 54%
- Minimize downtime: 52%
- Modification adjustment: 48%

Management Summary (5/5)

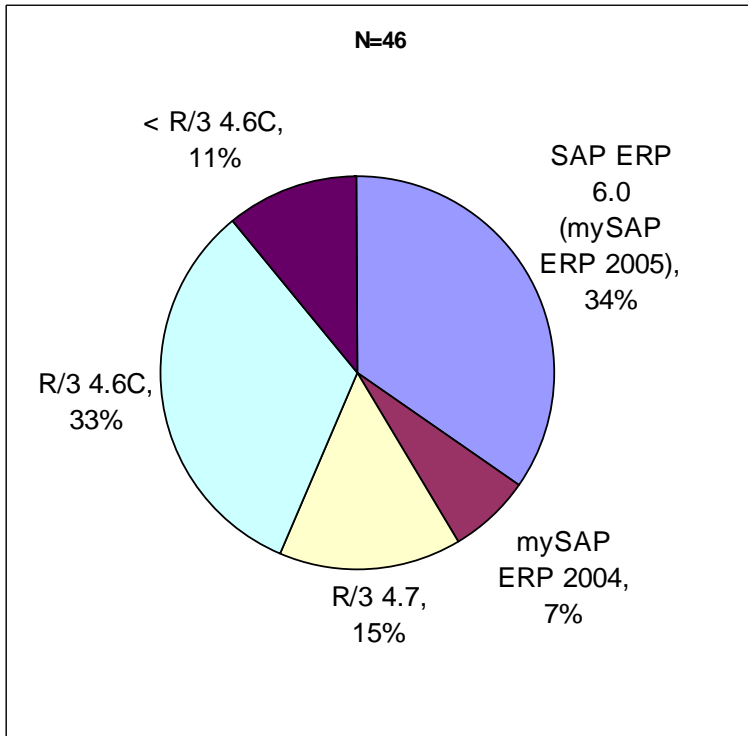
Major Findings

- Use of external assistance:
 - SAP partners are more considered to assist than SAP
 - External assistance bit more requested for execution than planning (91% vs. 78%)
- Use of existing SAP Services
 - SAP Services are rarely used
 - Only SAP planning services have the highest usage
- Use of SAP Solution Manager
 - 83% plan to use the SAP Solution Manager
 - The SAP Solution Manager is mostly used for test management and upgrade/delta customizing

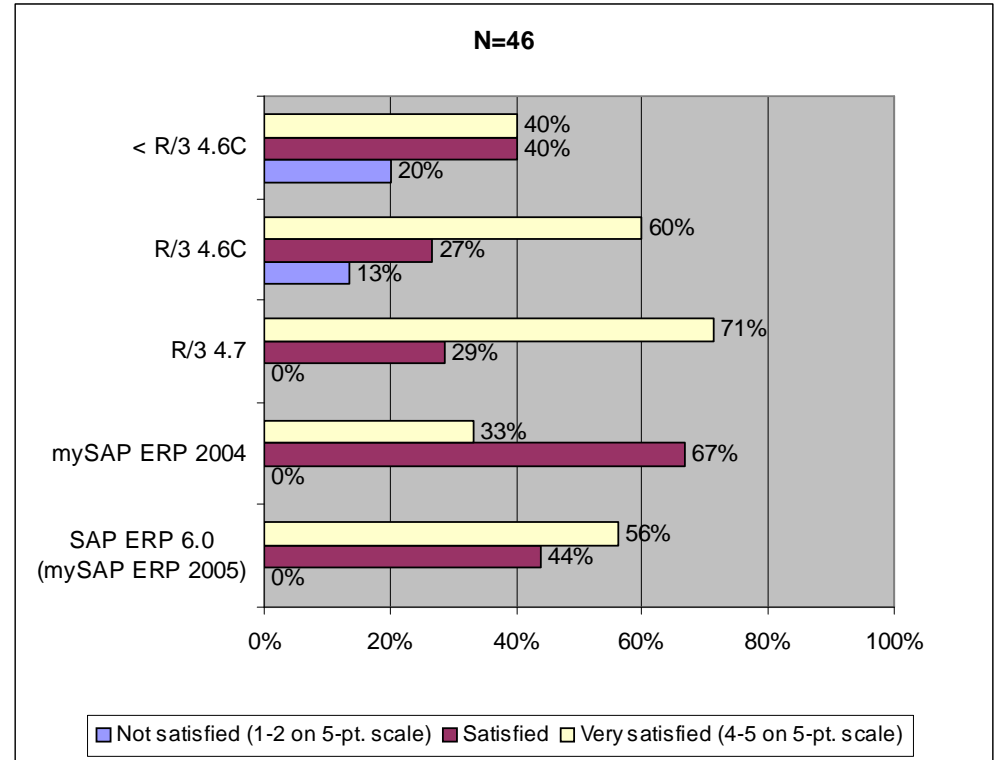
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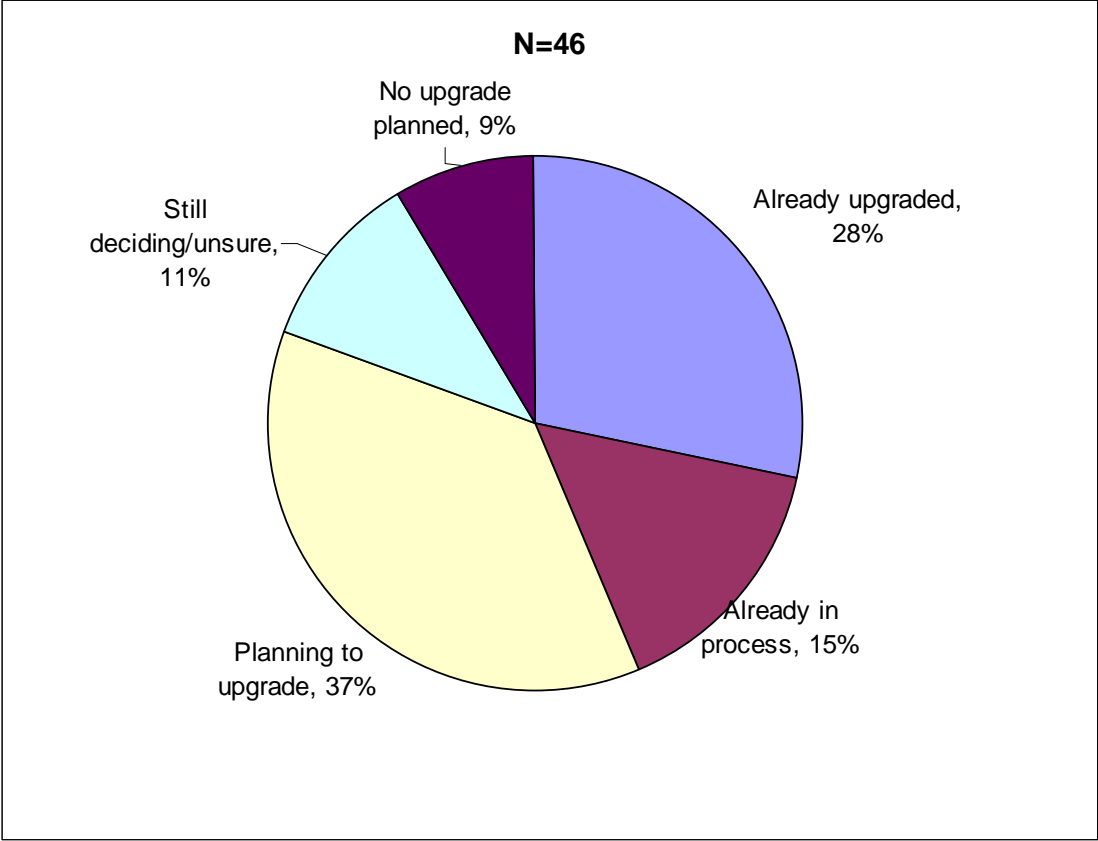
Current Release



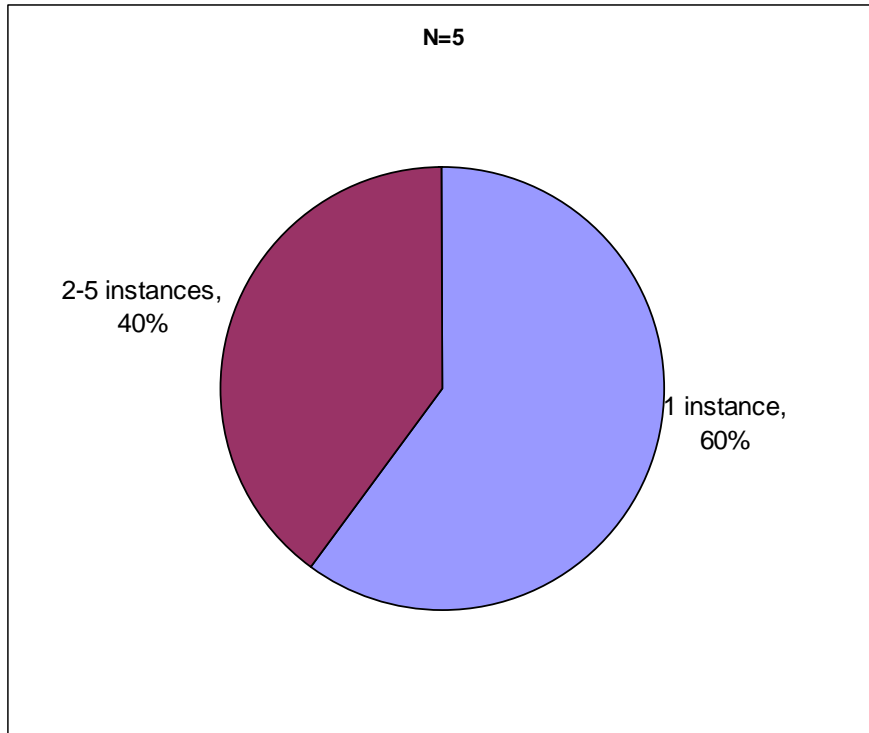
Satisfaction with Current Release



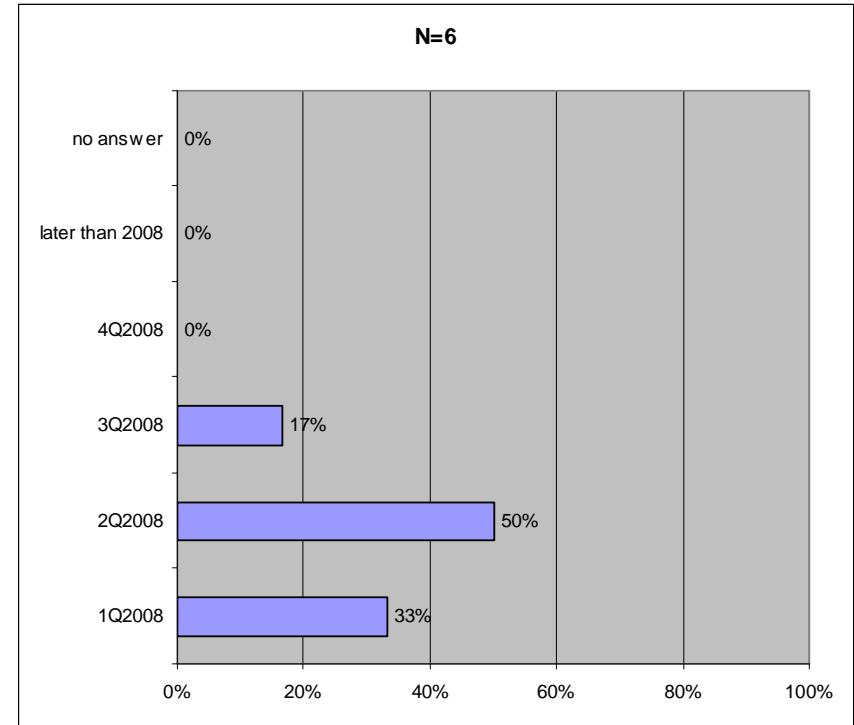
Upgrade Status



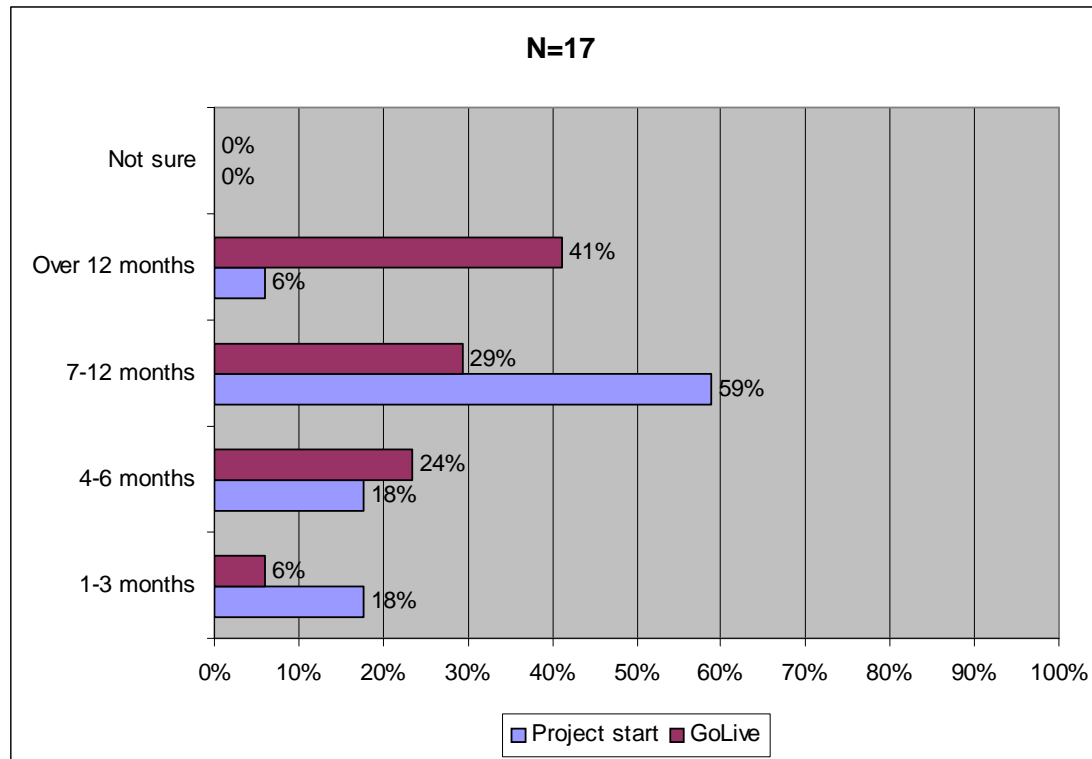
Number of Instances (if already in process)



First Instance to Go-Live (base Mar 2008) (if already in process)



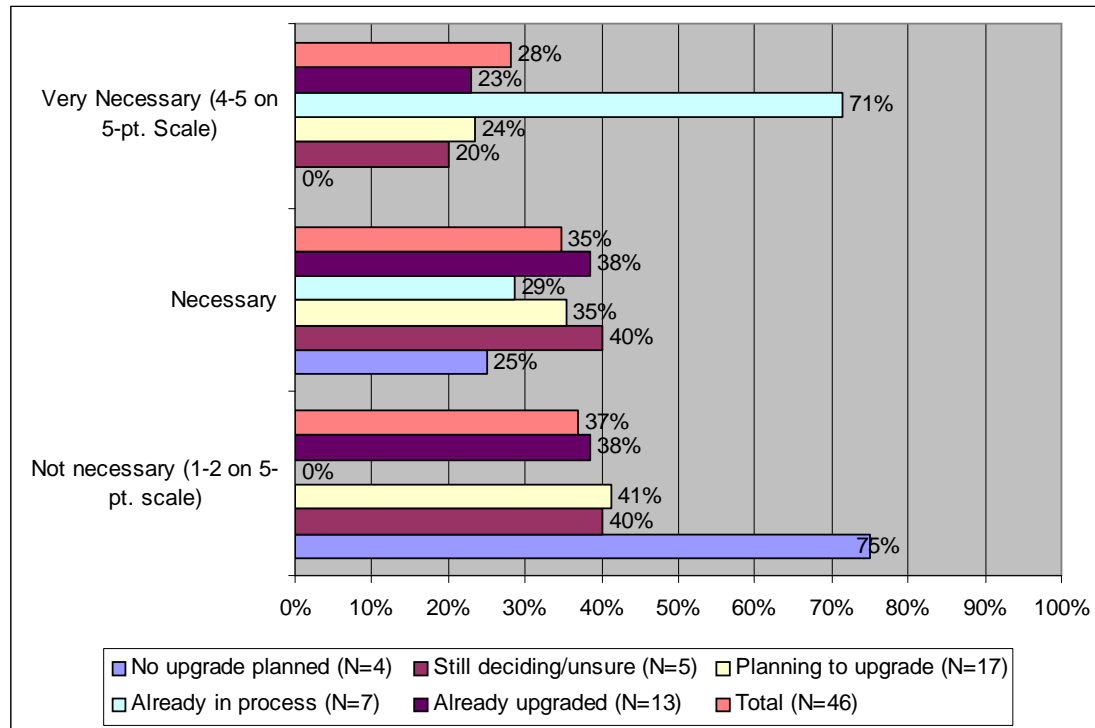
Expected Project Start and Go-Live Date (base Mar 2008) - (if planning to upgrade)



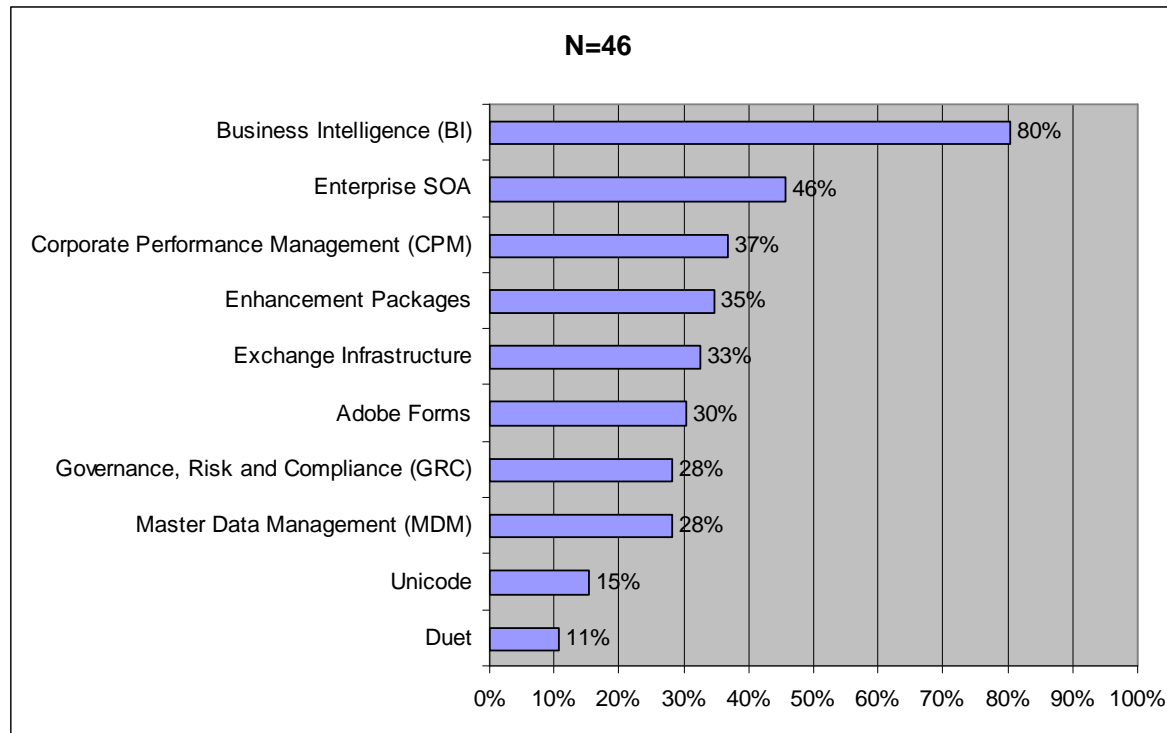
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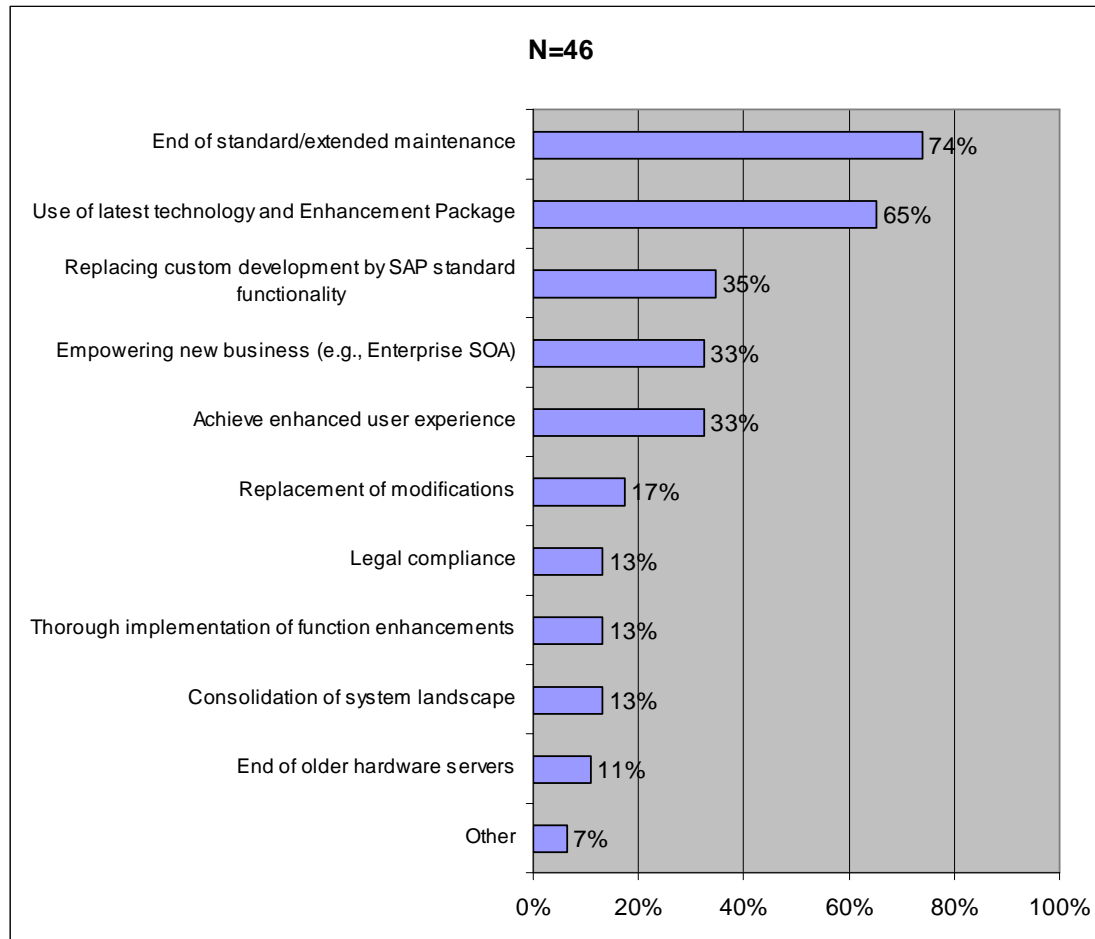
Necessity to Upgrade



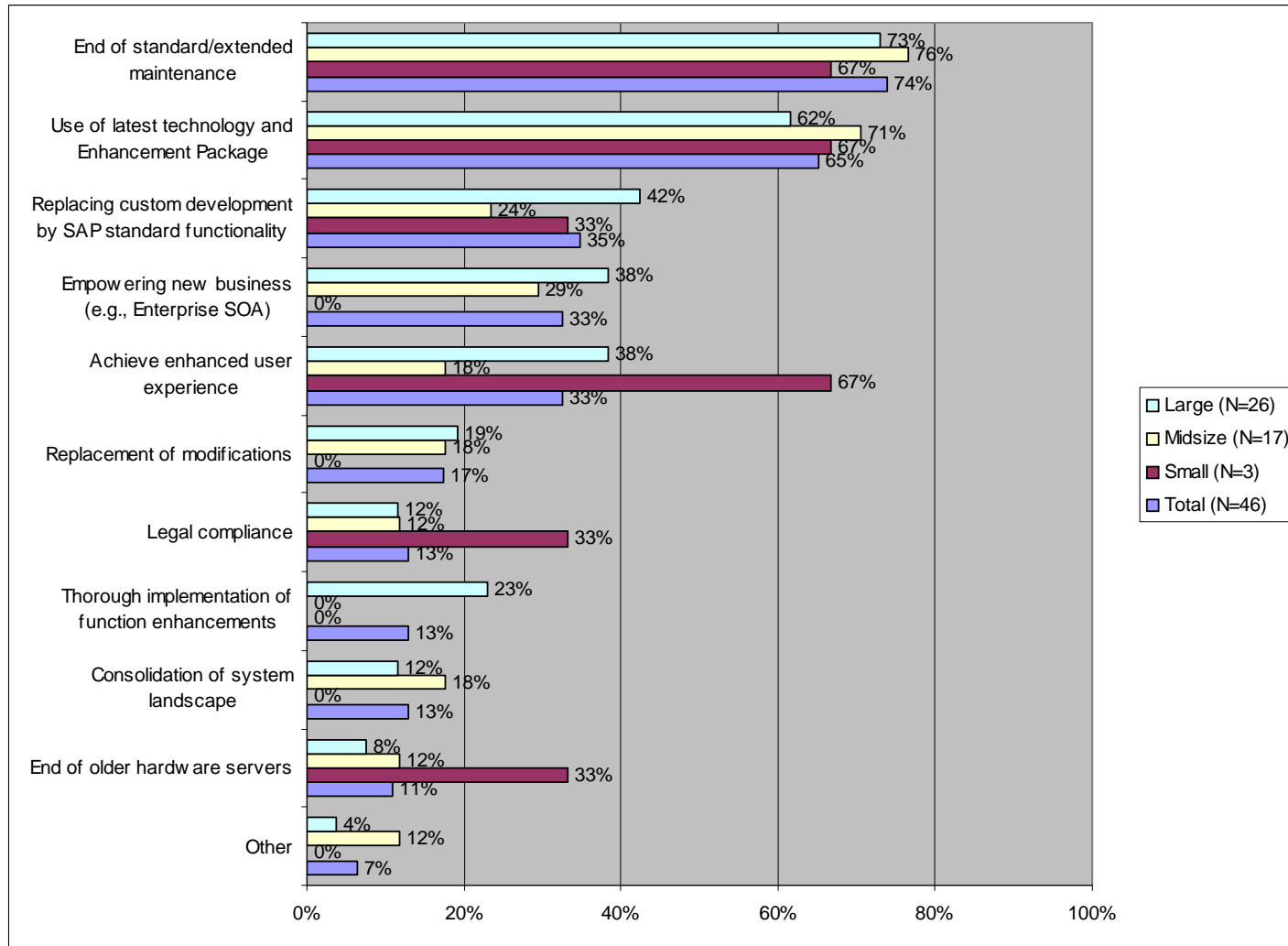
SAP ERP Capabilities and other Technologies



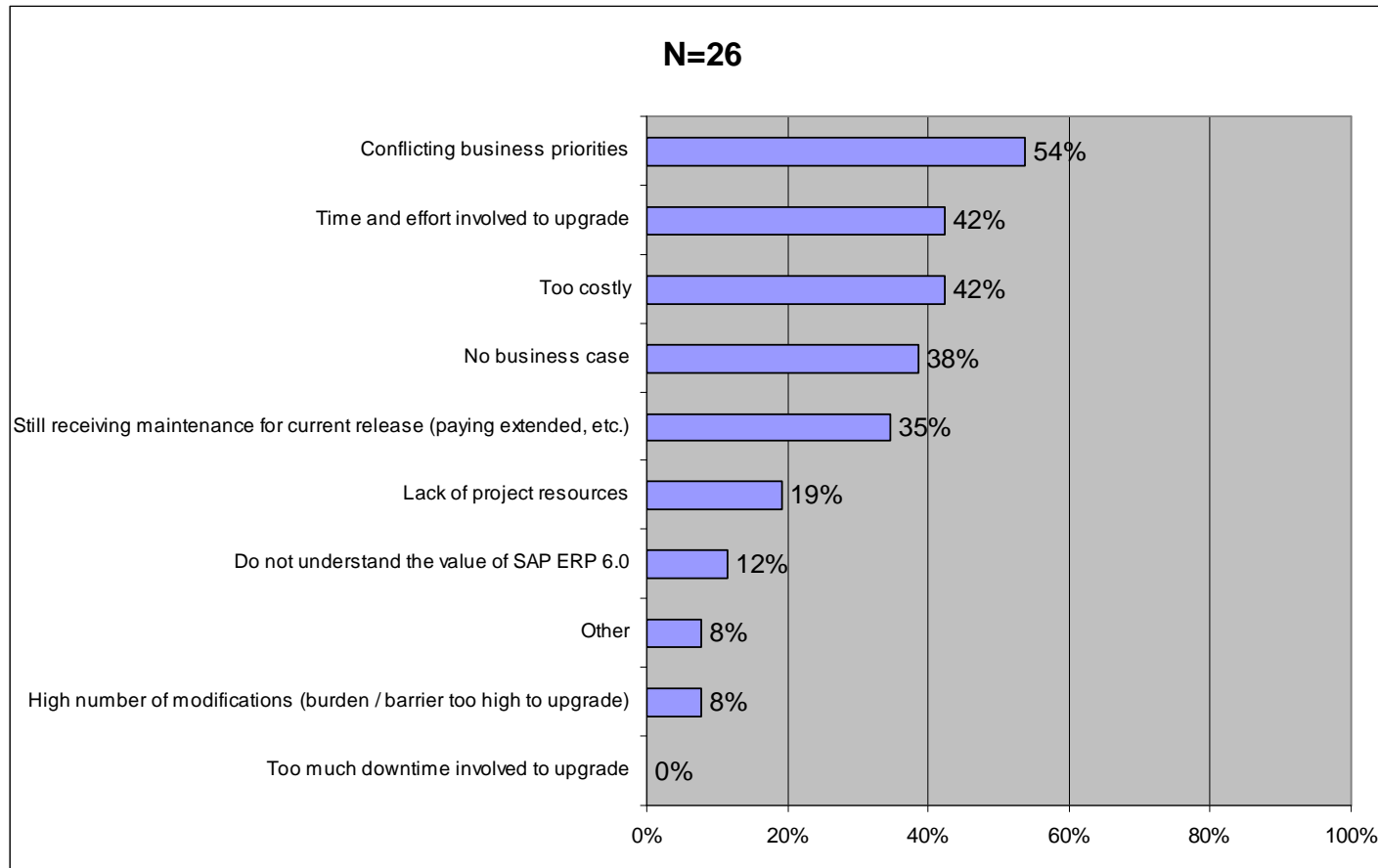
Reasons for Upgrading



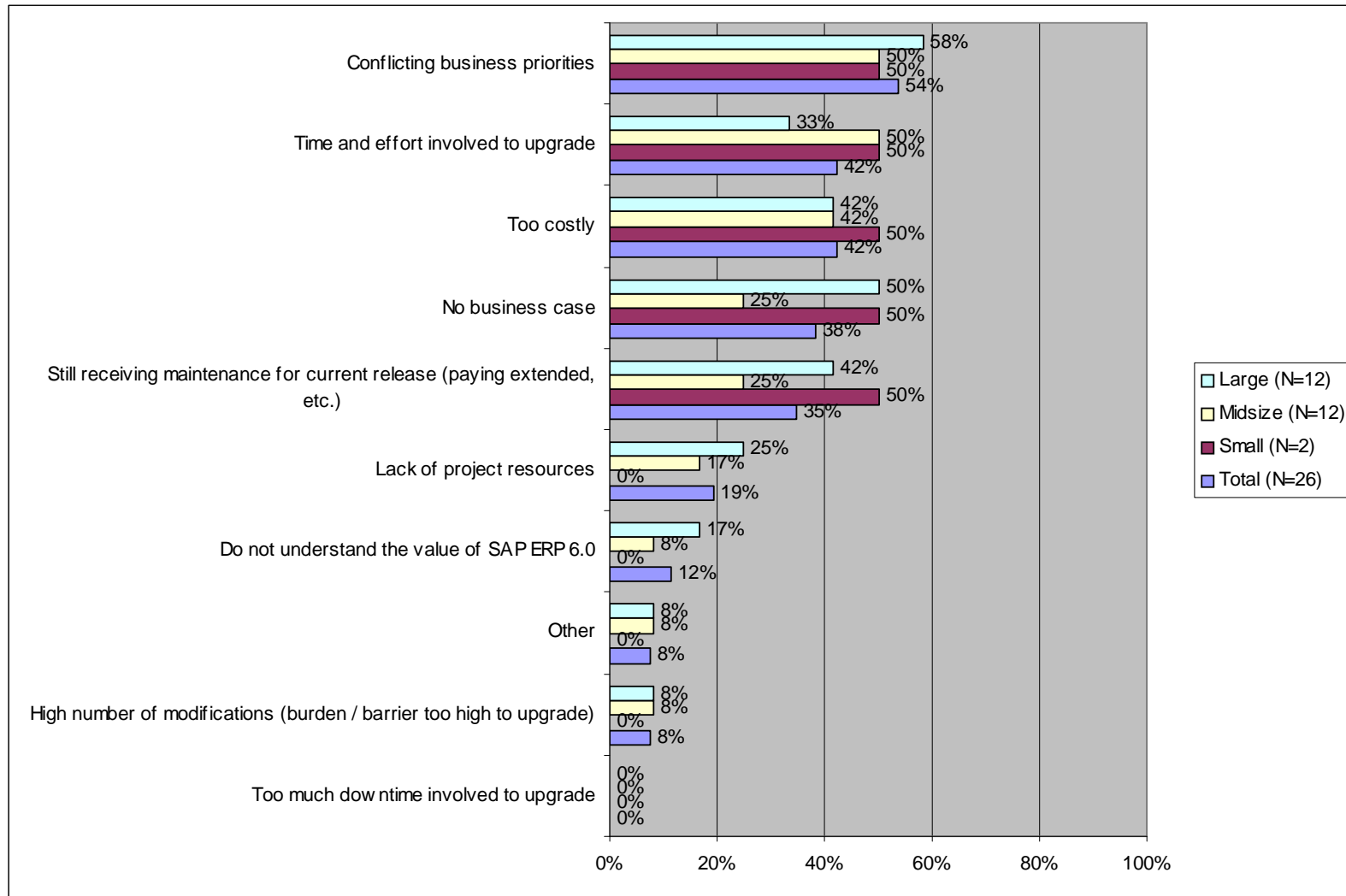
Reasons for Upgrading by Company Size



Reasons for not Upgrading (among those at planning stage or earlier)



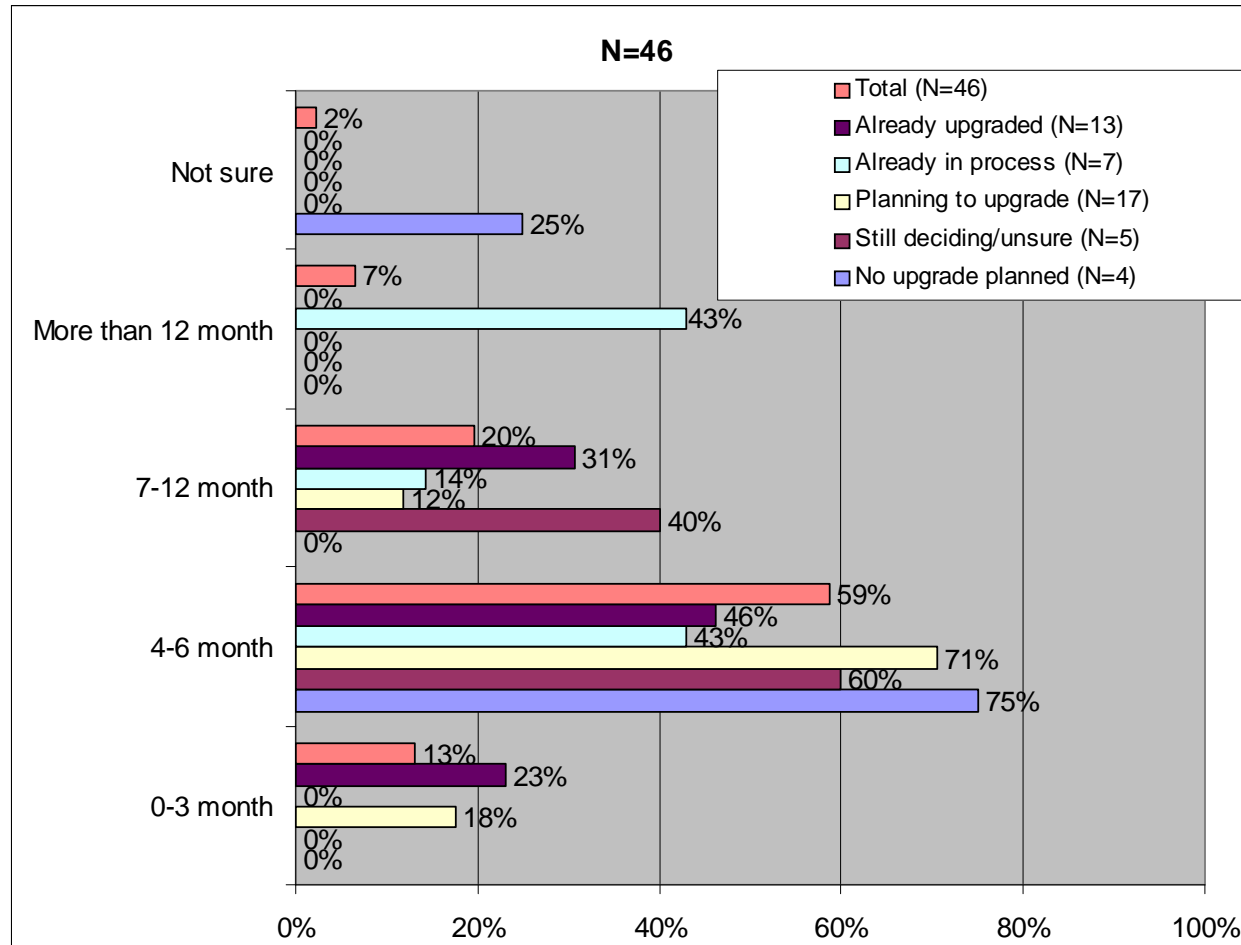
Reasons for not Upgrading by Company Size (among those at planning stage or earlier)



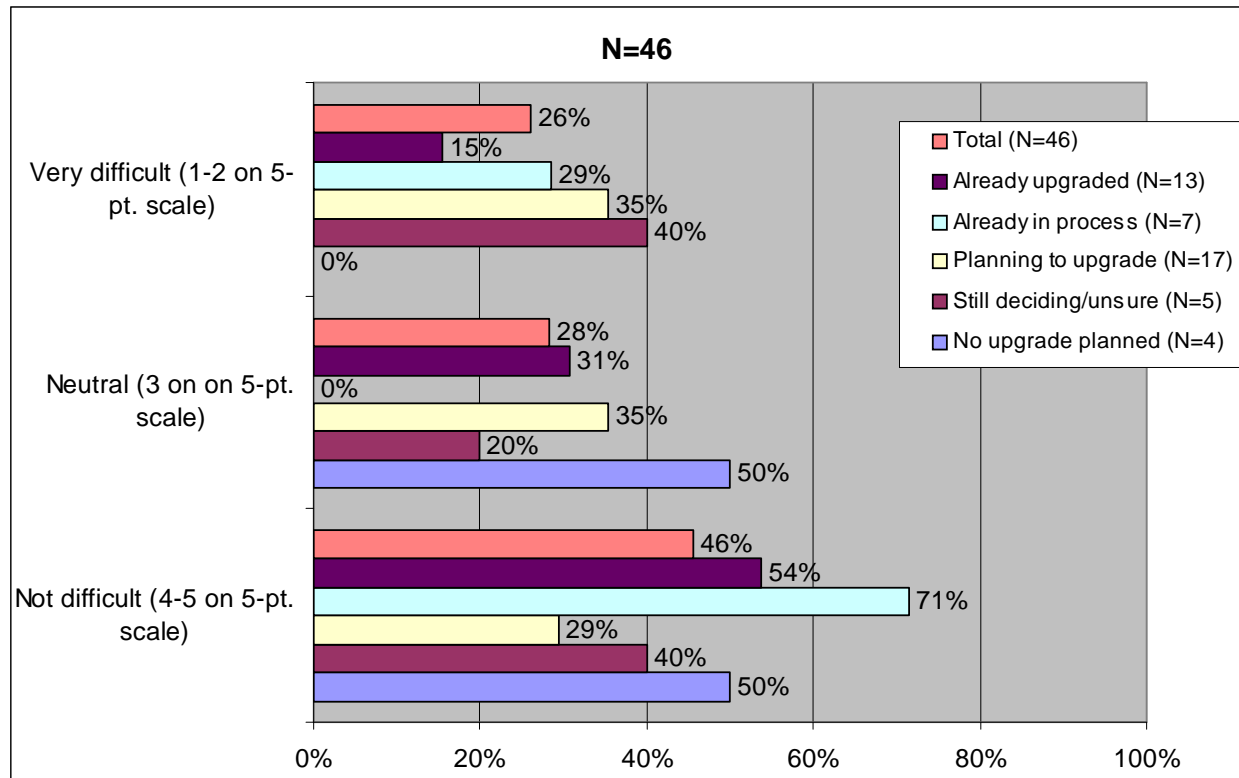
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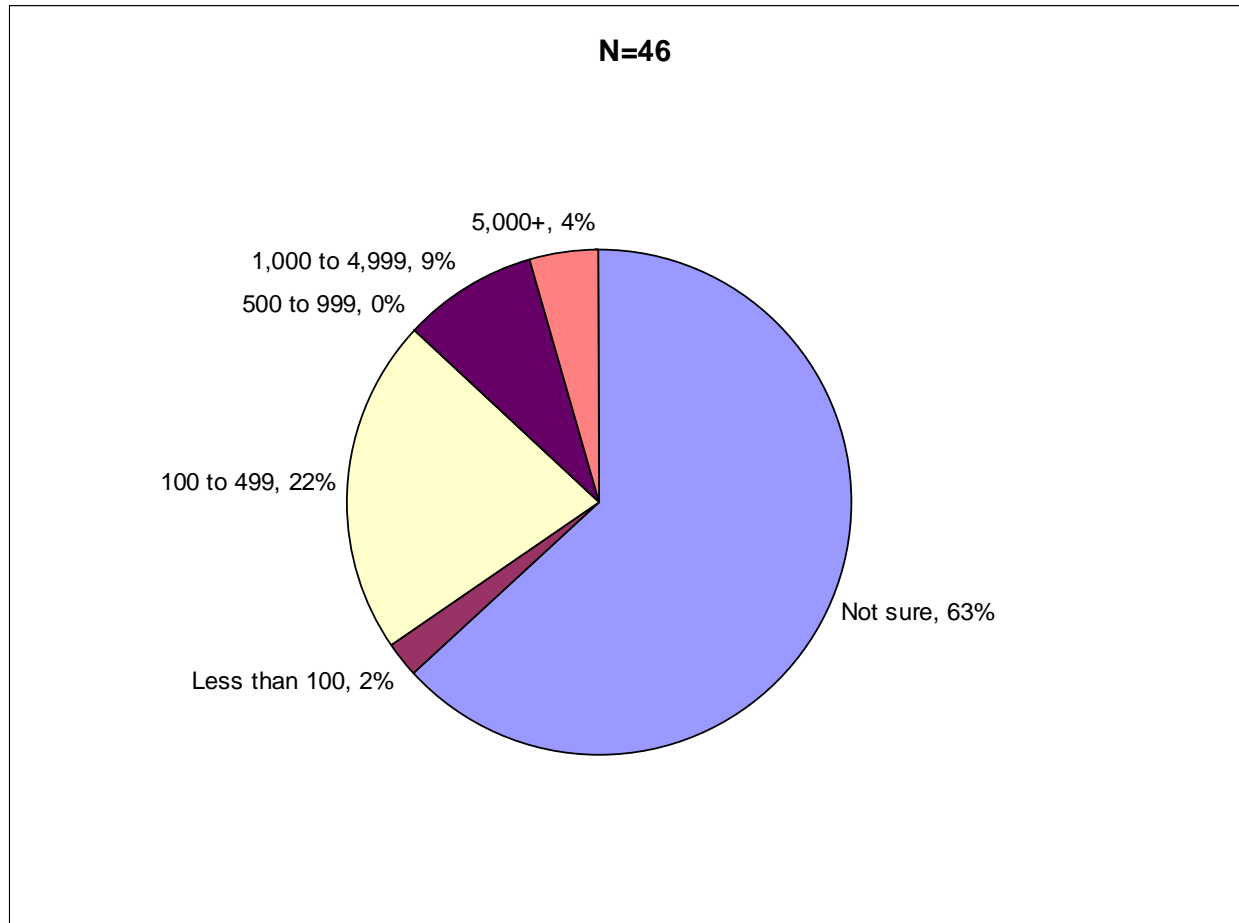
Actual/Expected Upgrade Length by Upgrade Status



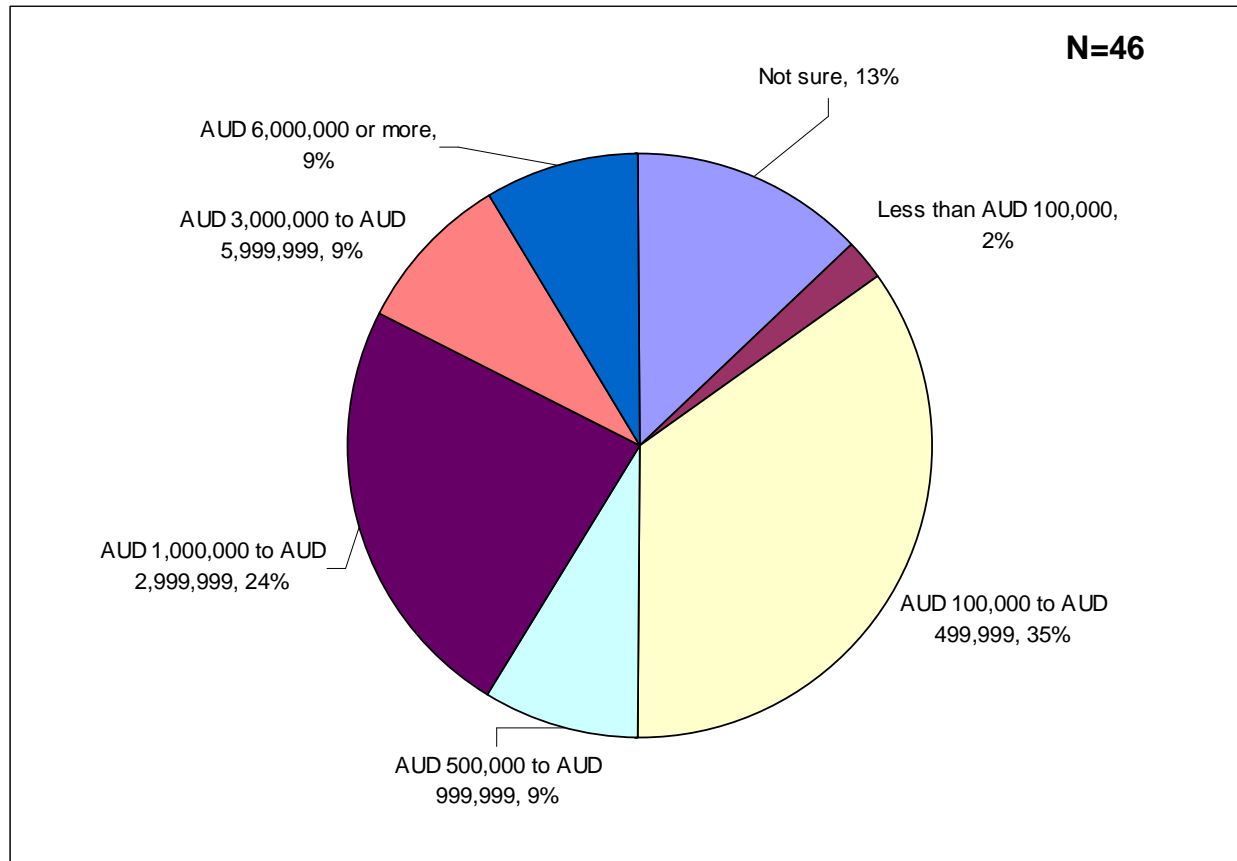
Difficulty of Upgrade Process by Upgrade Status



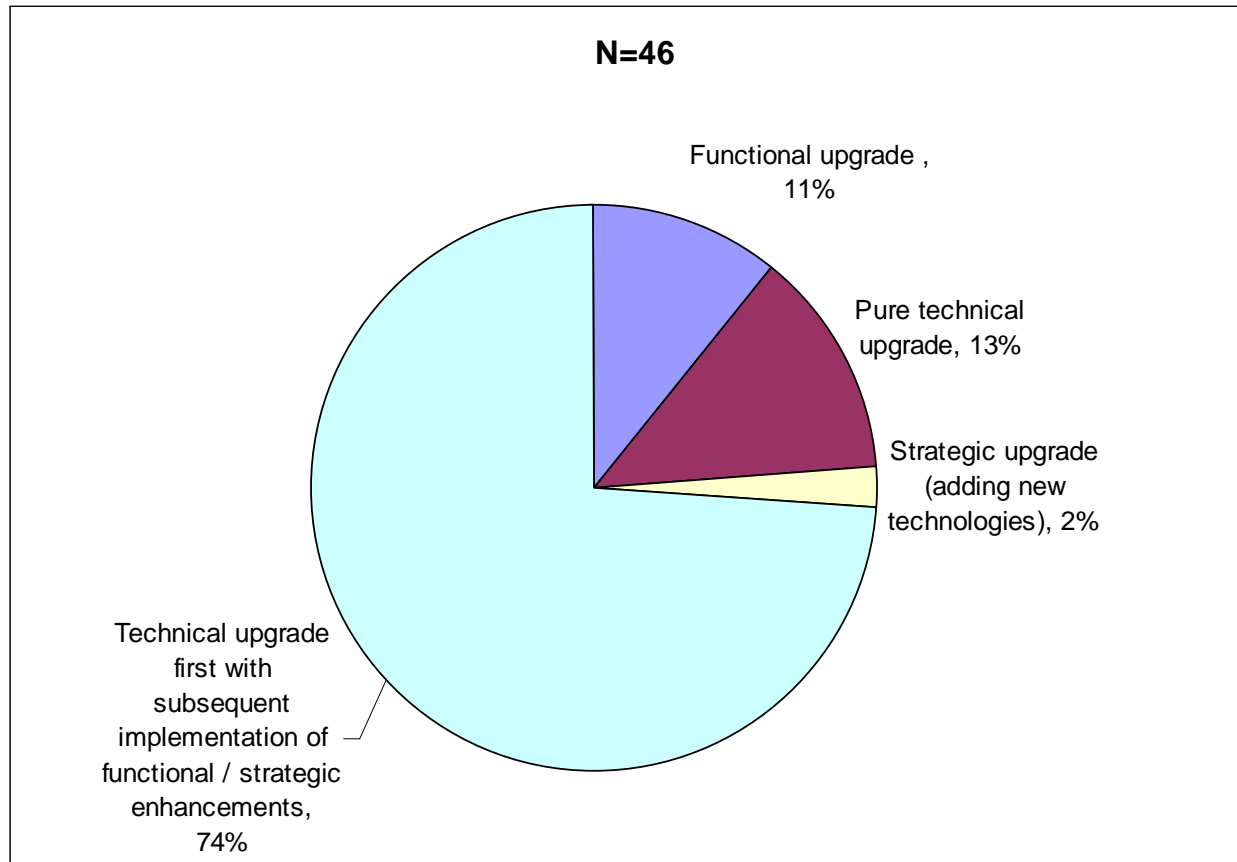
Person Days Needed for Upgrade



Upgrade Budget



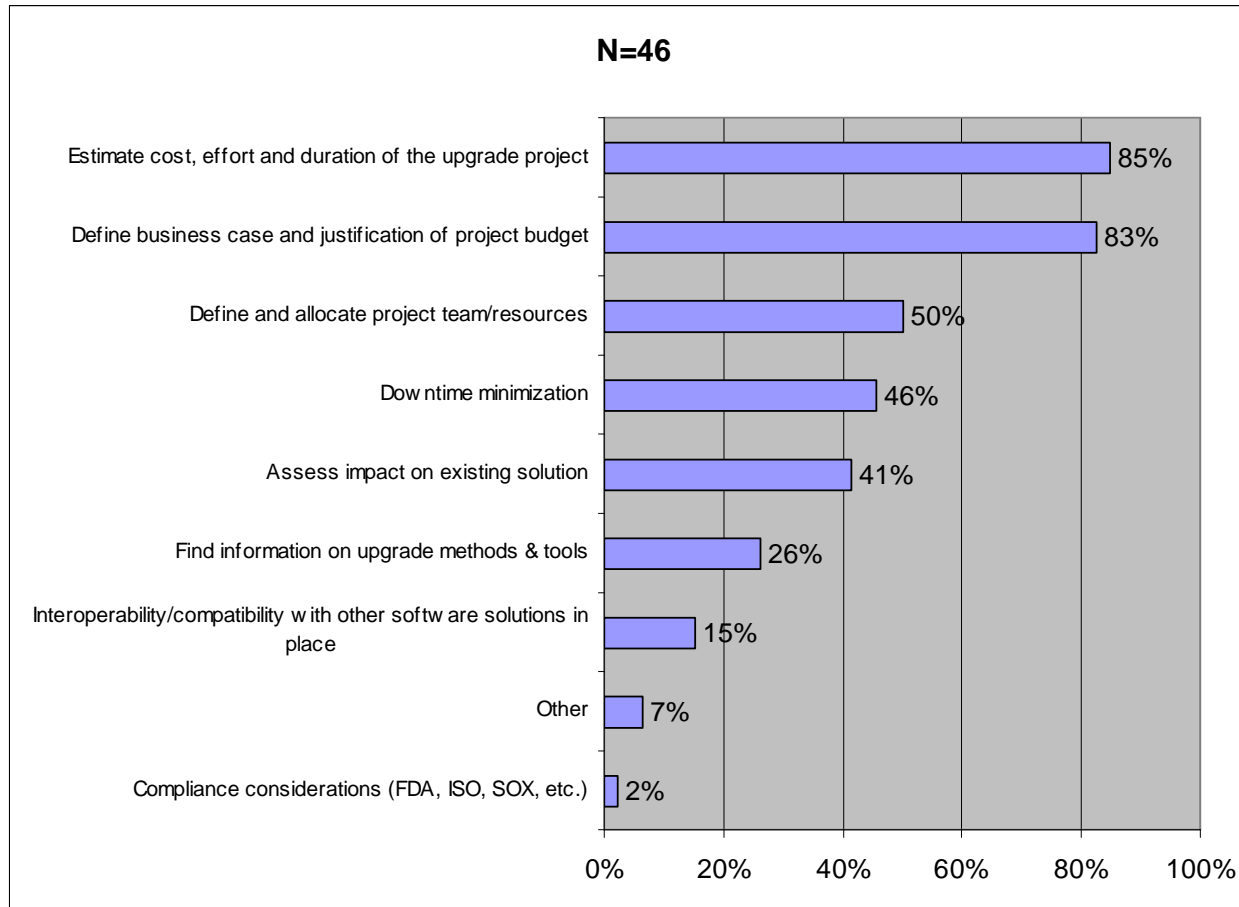
Upgrade Approach



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Challenges When Planning an Upgrade



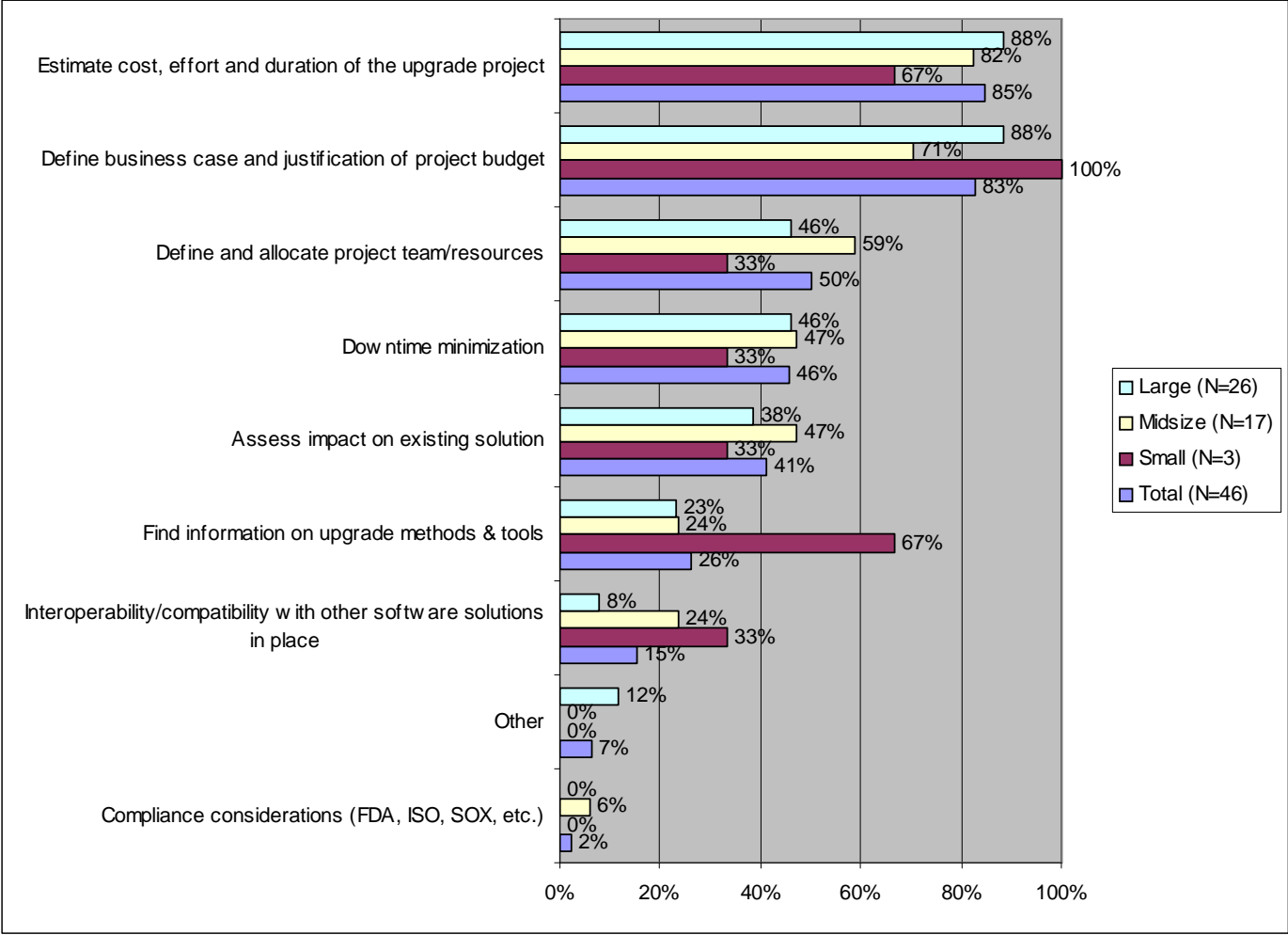
Challenges when Planning an Upgrade by Current Release

	Current Release					
	Total	< R/3 4.6C	SAP R/3 4.6C	SAP R/3 4.7	mySAP ERP 2004	SAP ERP 6.0
N=	46	5	15	7	3	16
Estimate cost, effort and duration of the upgrade project	85%	100%	93%	71%	67%	81%
Define business case and justification of project budget	83%	80%	80%	100%	100%	75%
Define and allocate project team/resources	50%	40%	47%	71%	100%	38%
Downtime minimization	46%	60%	47%	43%	33%	44%
Assess impact on existing solution	41%	60%	27%	57%	100%	31%
Find information on upgrade methods & tools	26%	20%	13%	29%	33%	38%
Interoperability/compatibility with other software solutions in place	15%	20%	7%	0%	33%	25%
Other	7%	0%	13%	0%	0%	6%
Compliance considerations (FDA, ISO, SOX, etc.)	2%	20%	0%	0%	0%	0%

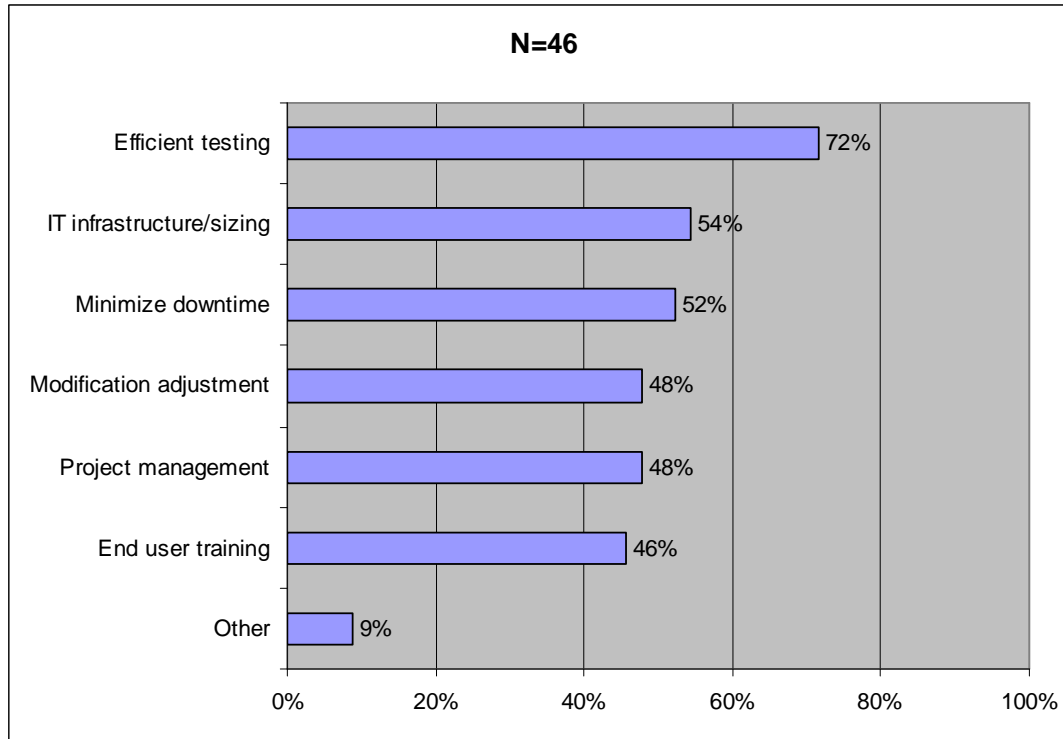
Challenges when Planning an Upgrade by Upgrade Status

	Current Release					
	Total	Already upgraded	Already in process	Planning to upgrade	Still deciding/ unsure	No upgrade planned
N=	46	13	7	17	5	4
Estimate cost, effort and duration of the upgrade project	85%	77%	100%	82%	80%	100%
Define business case and justification of project budget	83%	77%	86%	82%	80%	100%
Define and allocate project team/resources	50%	38%	43%	65%	40%	50%
Downtime minimization	46%	46%	86%	35%	40%	25%
Assess impact on existing solution	41%	31%	43%	41%	40%	75%
Find information on upgrade methods & tools	26%	46%	0%	18%	40%	25%
Interoperability/compatibility with other software solutions in place	15%	31%	0%	6%	20%	25%
Other	7%	8%	0%	6%	20%	0%
Compliance considerations (FDA, ISO, SOX, etc.)	2%	0%	0%	0%	0%	25%

Challenges when Planning an Upgrade by company size



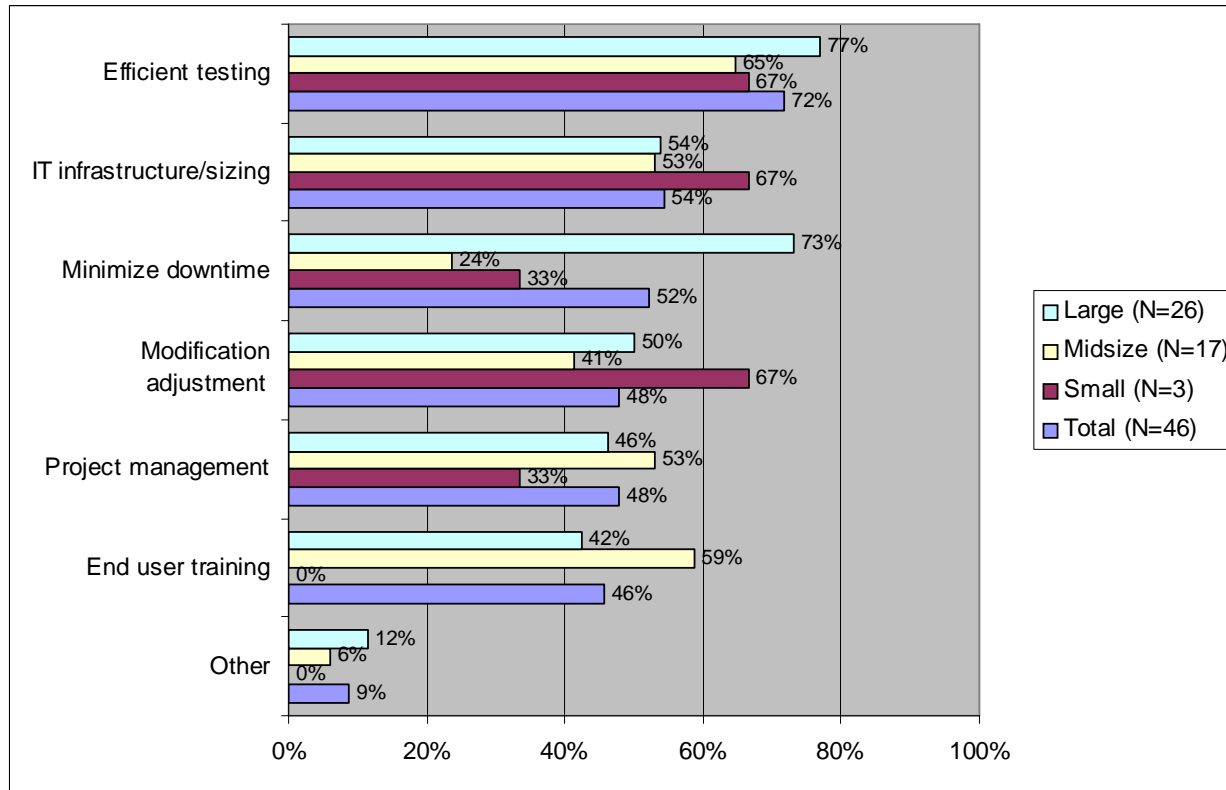
Challenges when Executing an Upgrade



Challenges when Executing an Upgrade by Upgrade Status

	N=	Current Release				
		Total	Already upgraded	Already in process	Planning to upgrade	Still deciding/ unsure
	46	13	7	17	5	4
Efficient testing	72%	62%	86%	65%	100%	75%
IT infrastructure/sizing	54%	54%	100%	29%	60%	75%
Minimize downtime	52%	62%	100%	35%	40%	25%
Modification adjustment	48%	62%	71%	35%	60%	0%
Project management	48%	23%	86%	41%	40%	100%
End user training	46%	23%	43%	65%	60%	25%
Other	9%	23%	0%	6%	0%	0%

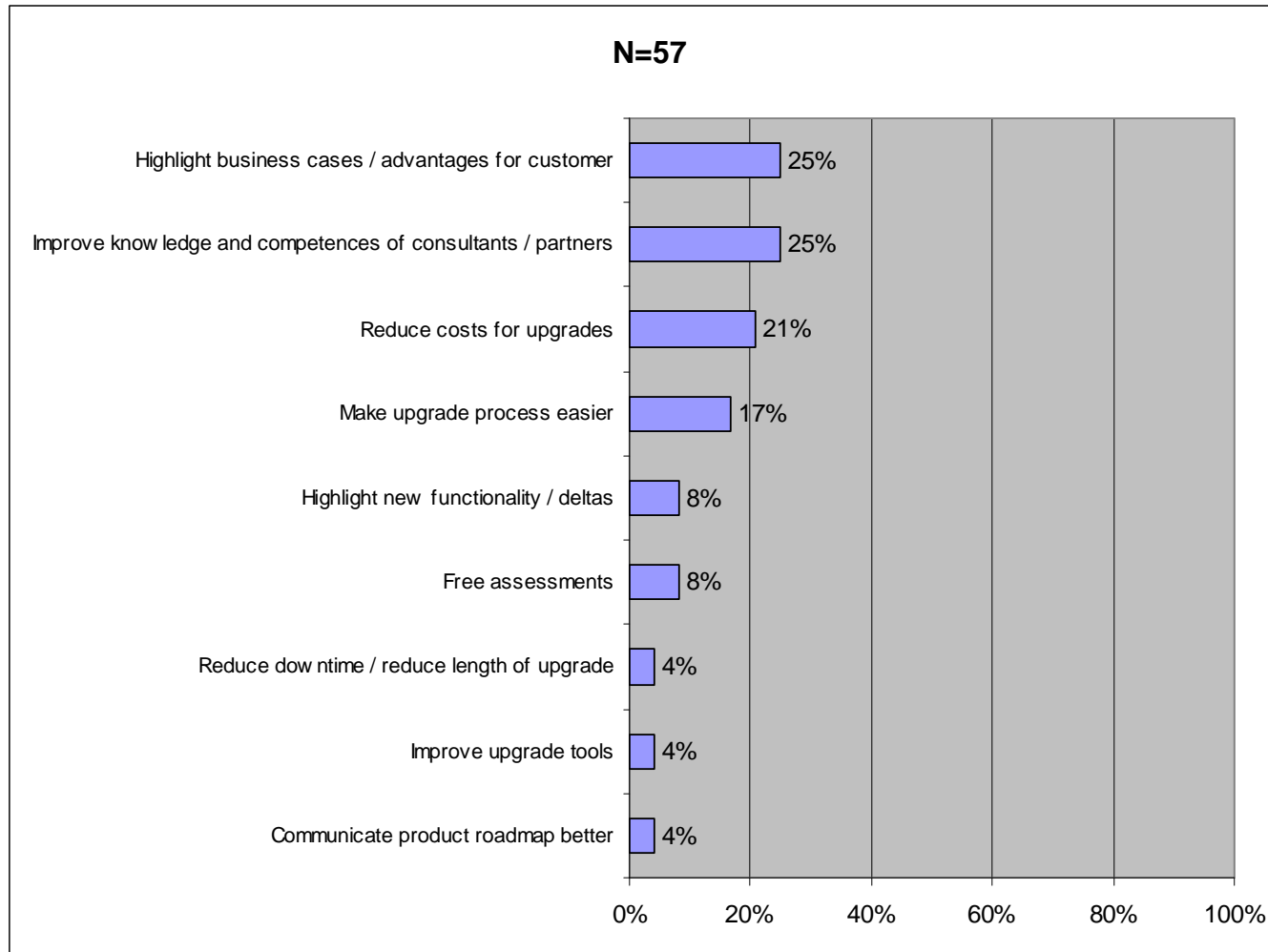
Challenges when Executing an Upgrade by Company Size



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What SAP can do to Improve the Upgrade Process (Open-end)

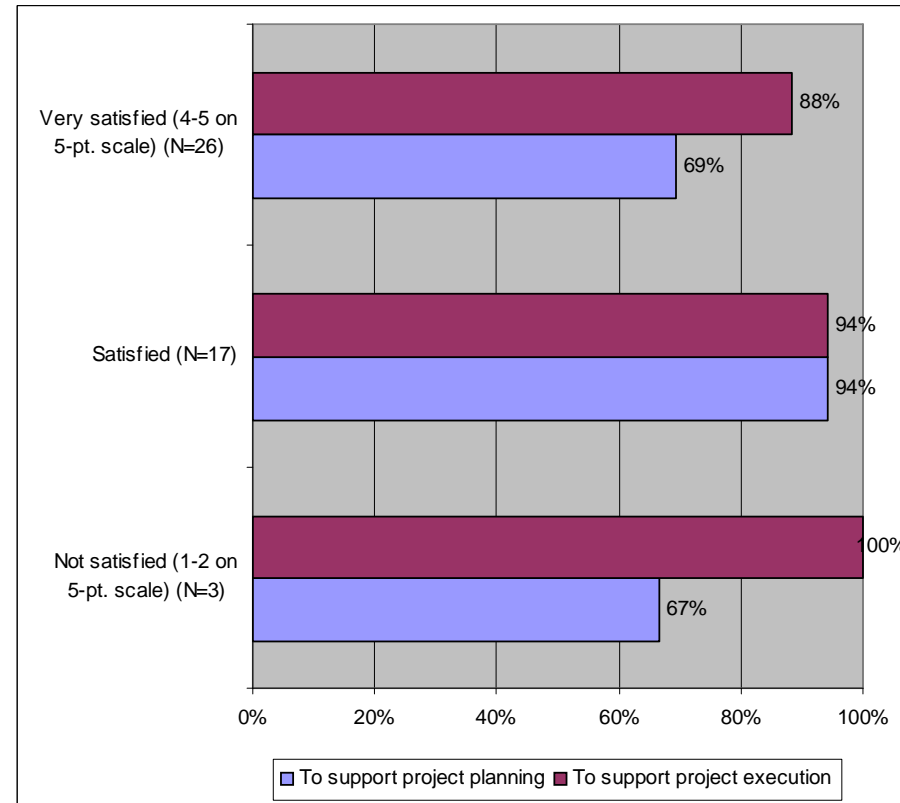
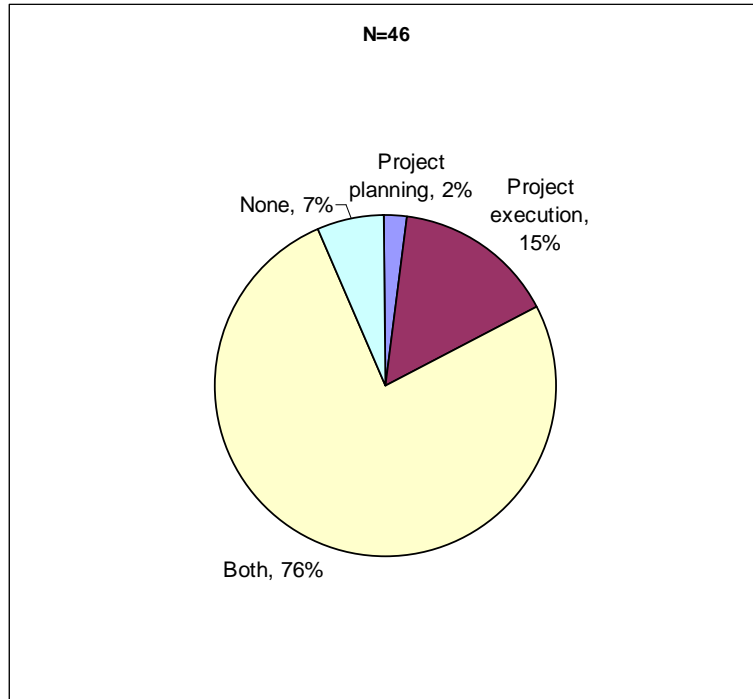


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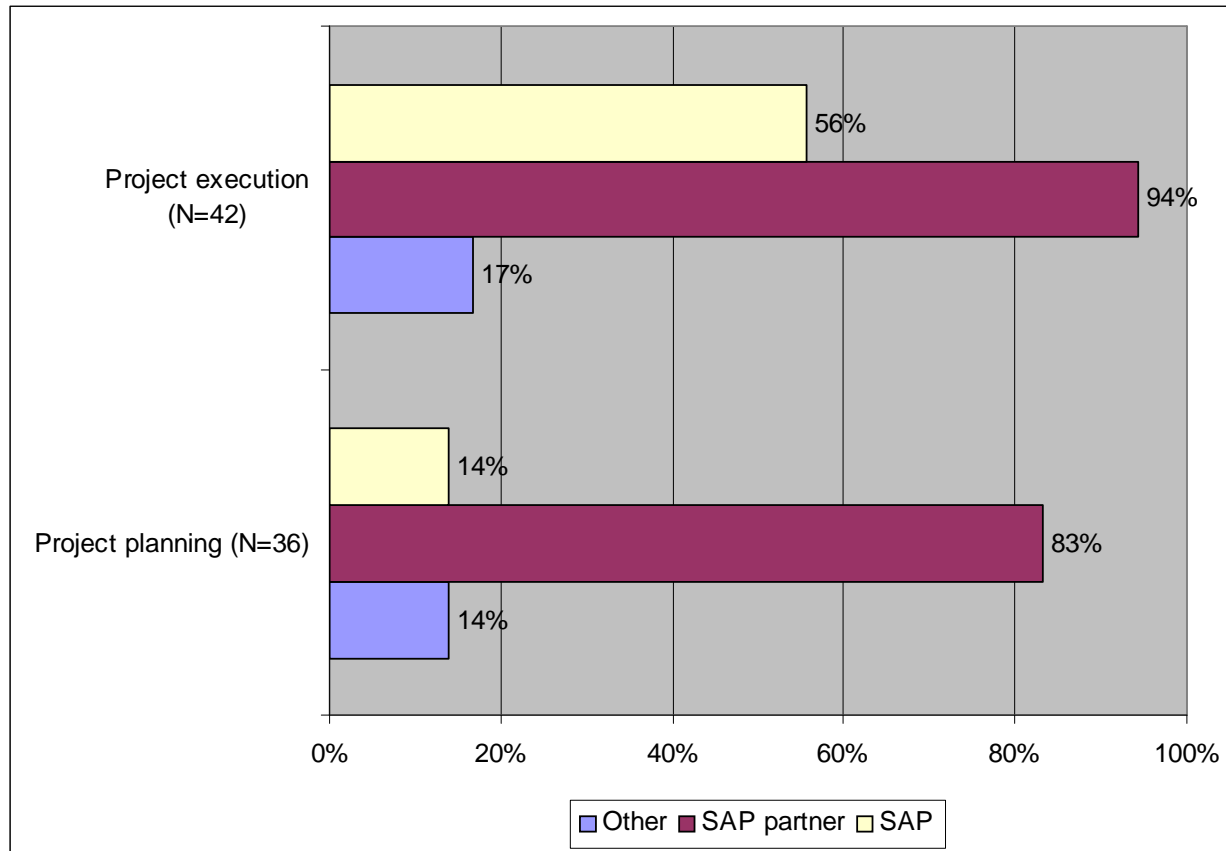
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External Assistance

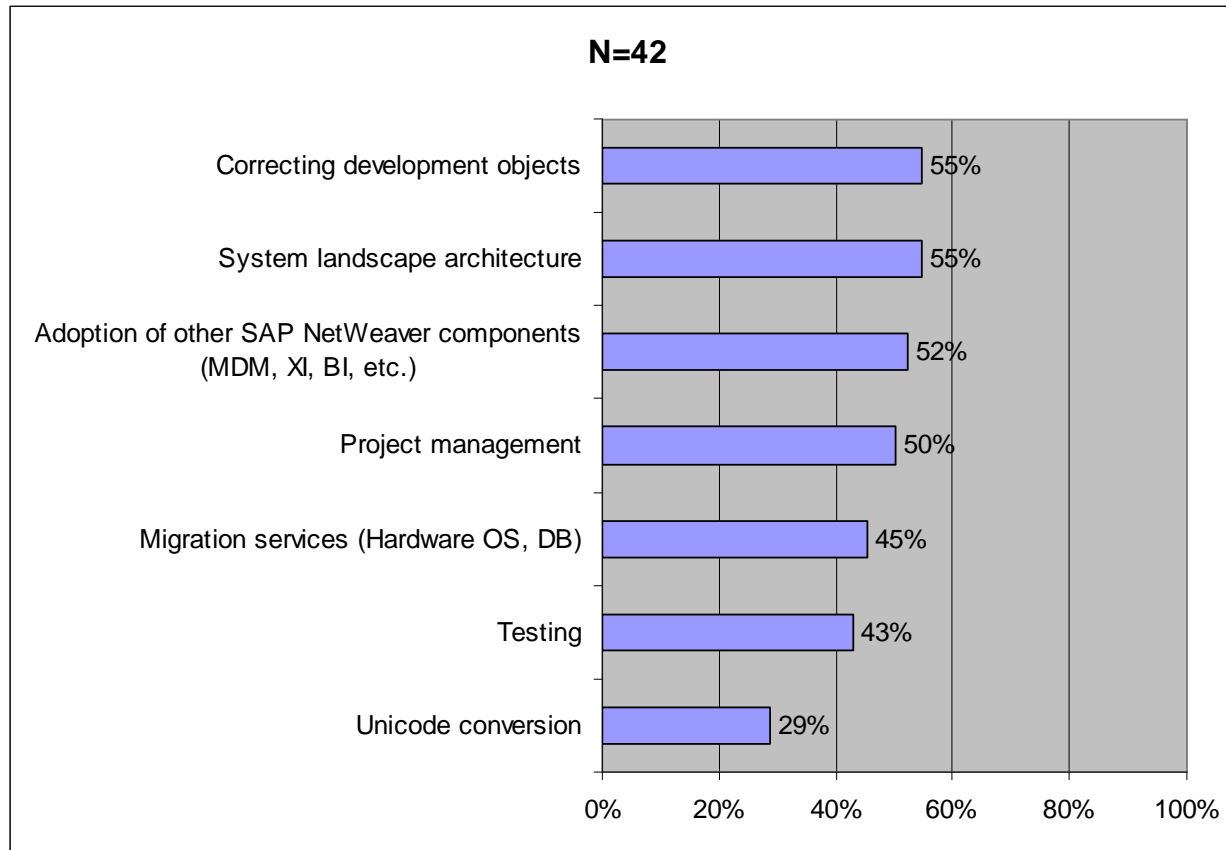
External Assistance – Satisfaction Level



Where would Assistance come from for Project Planning and Project Execution?



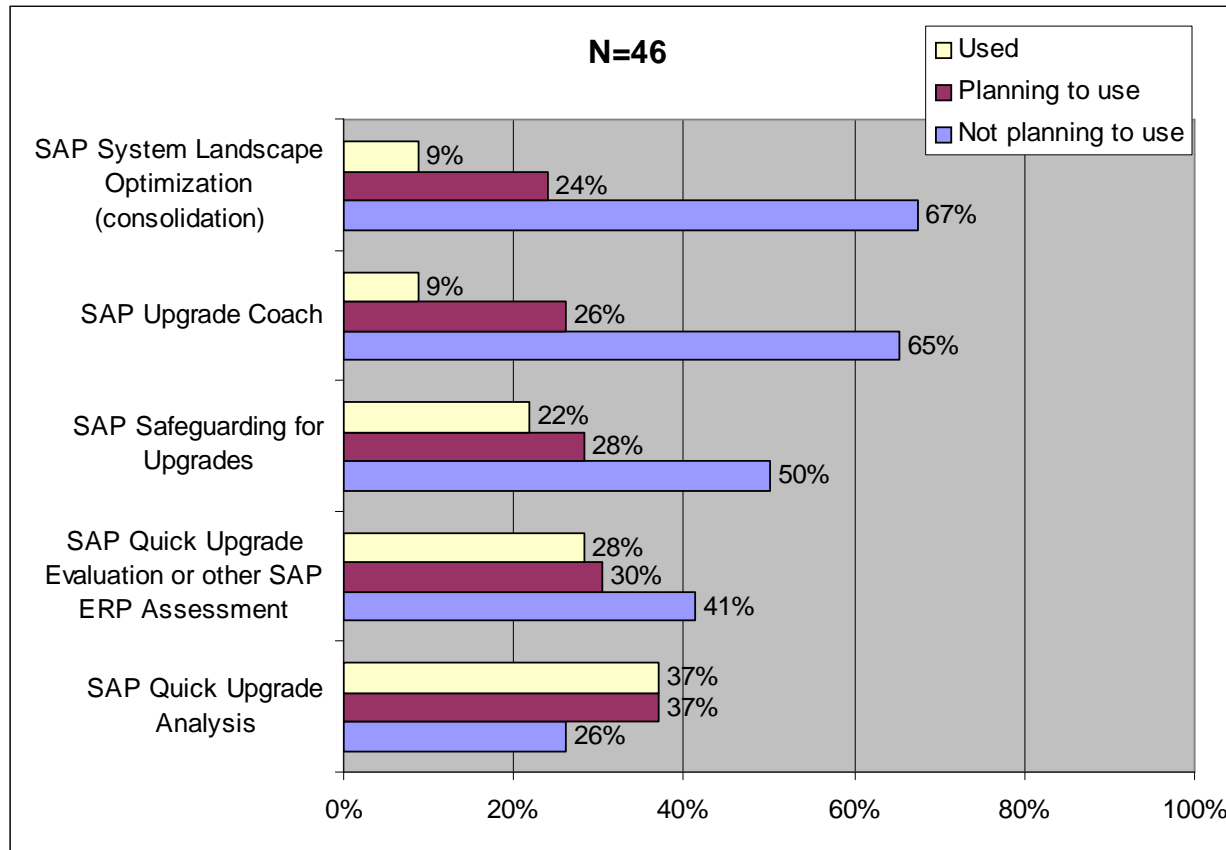
Which areas need Assistance during Project Execution?



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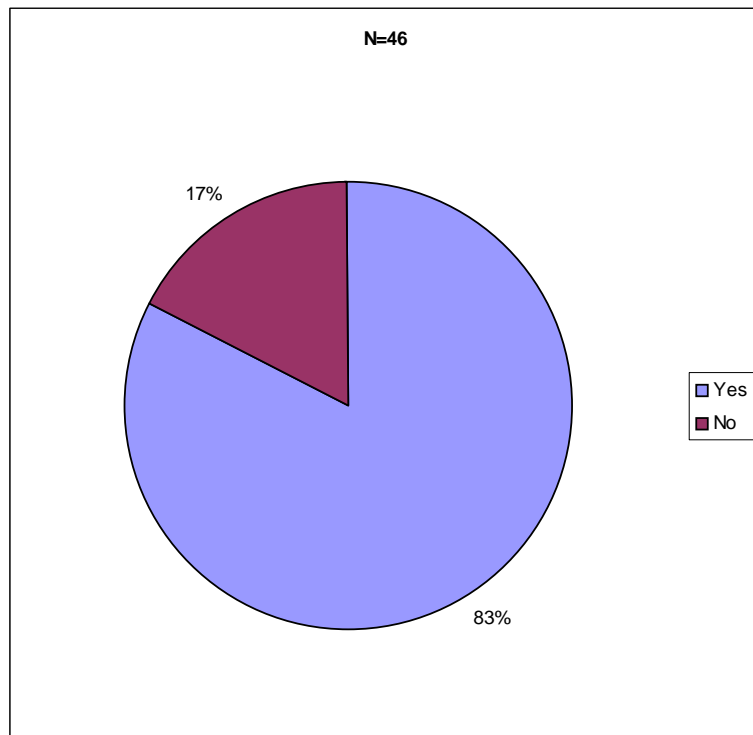
Use of SAP Upgrade Service Offerings



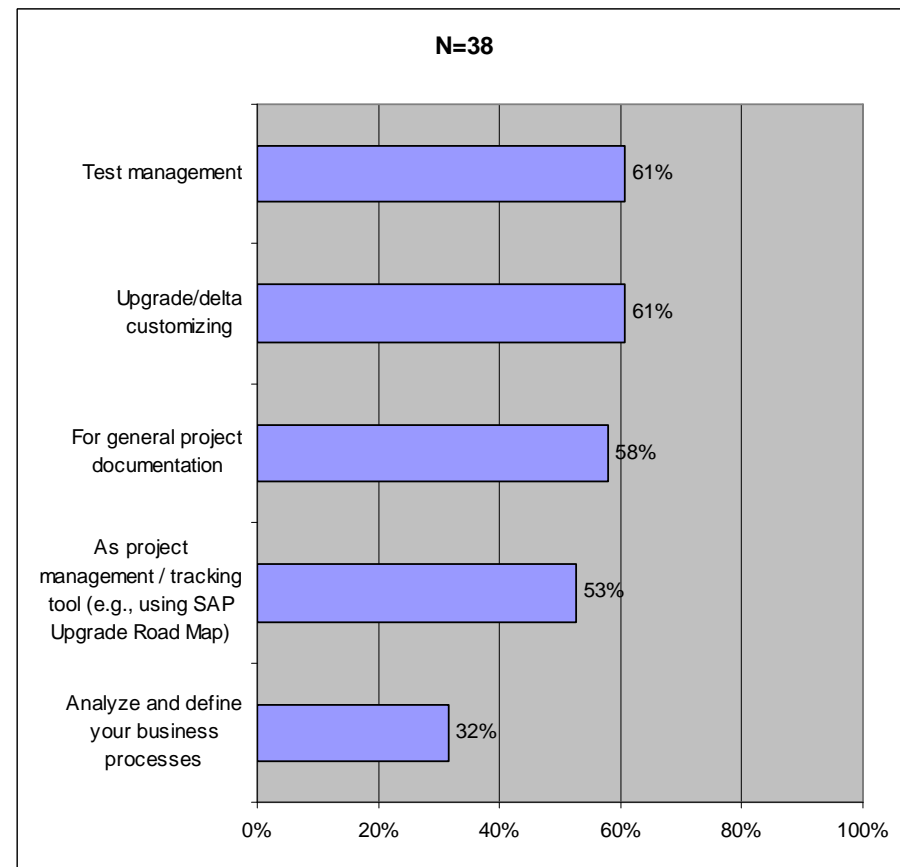
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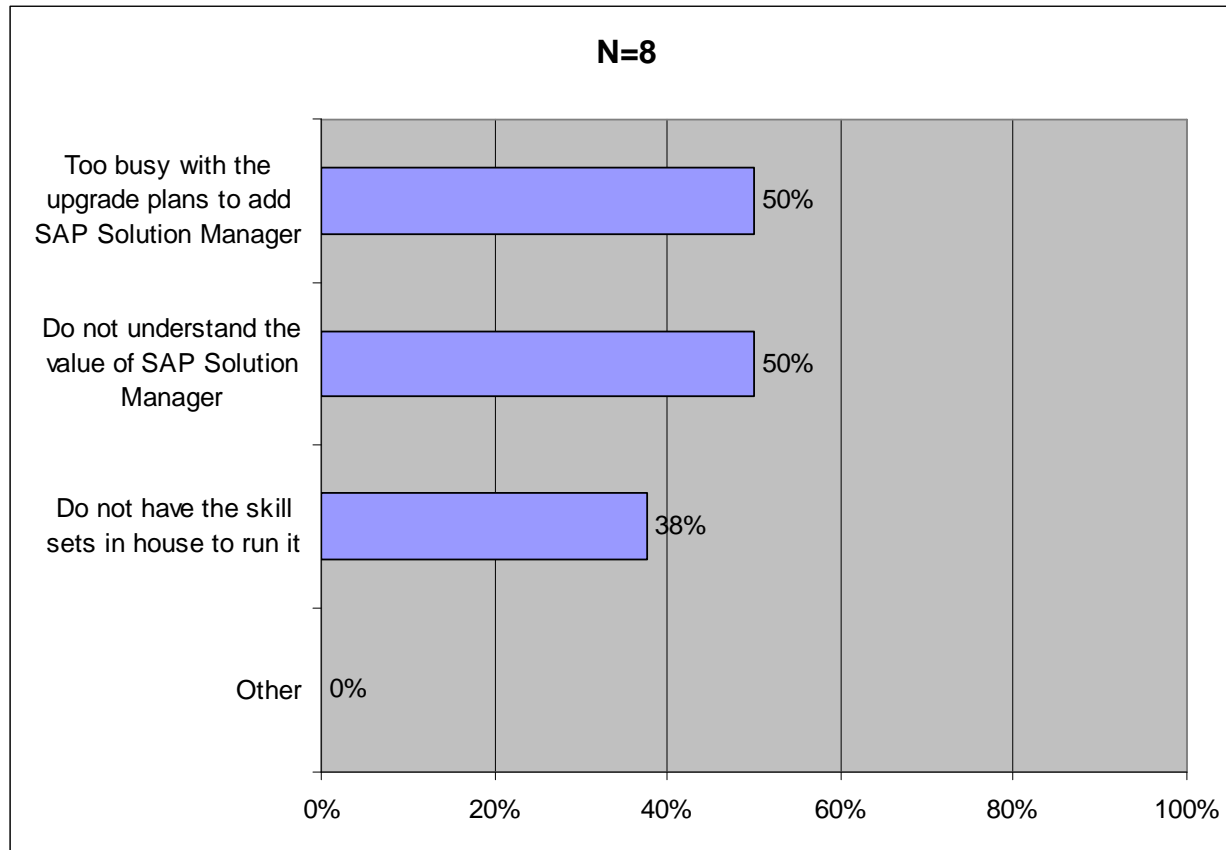
Planning on Using SAP Solution Manager for more than Key Generation



Planned Usage of SAP Solution Mgr Components (among planned SAP Solution Mgr users)



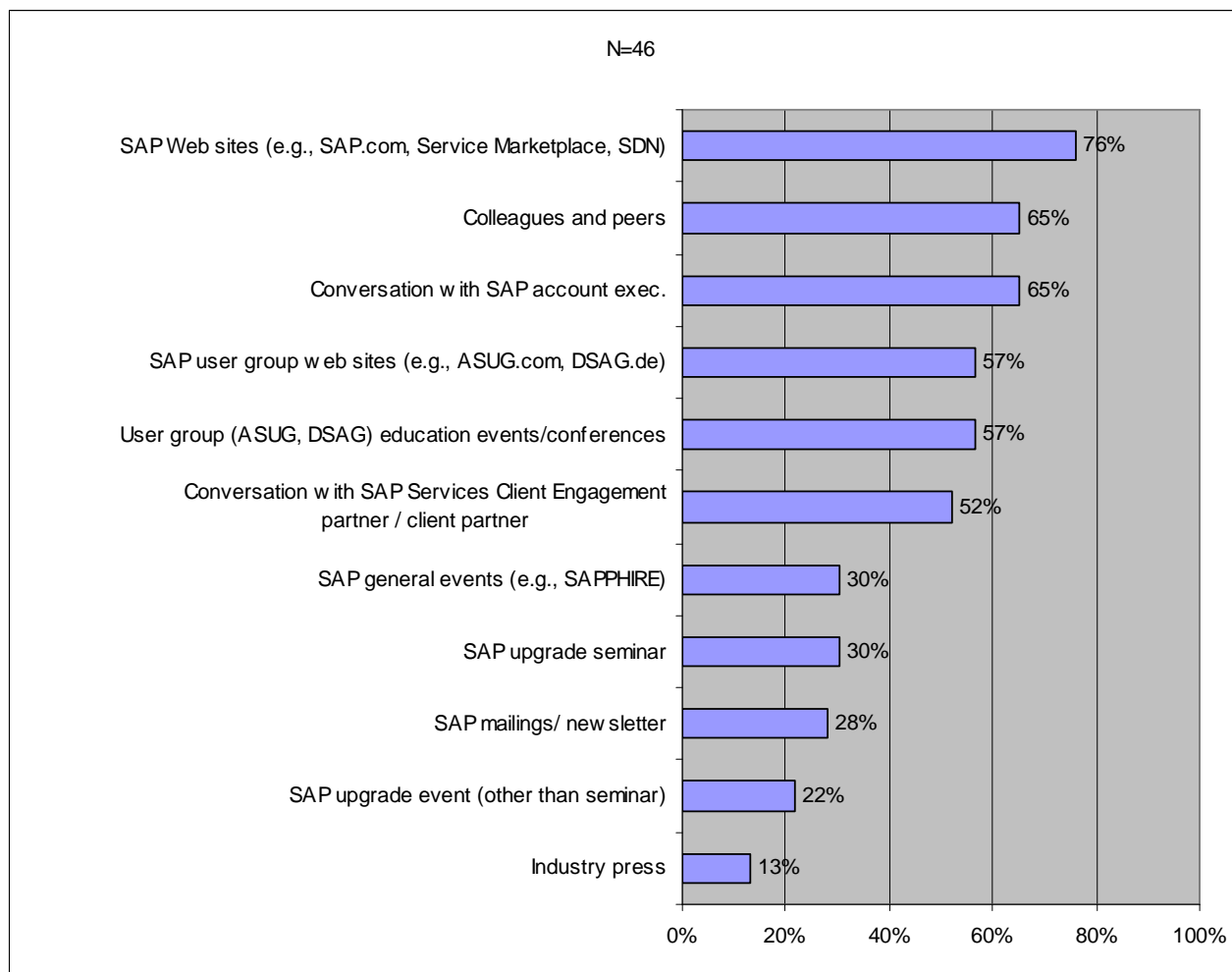
Reasons for not Using SAP Solution Manager



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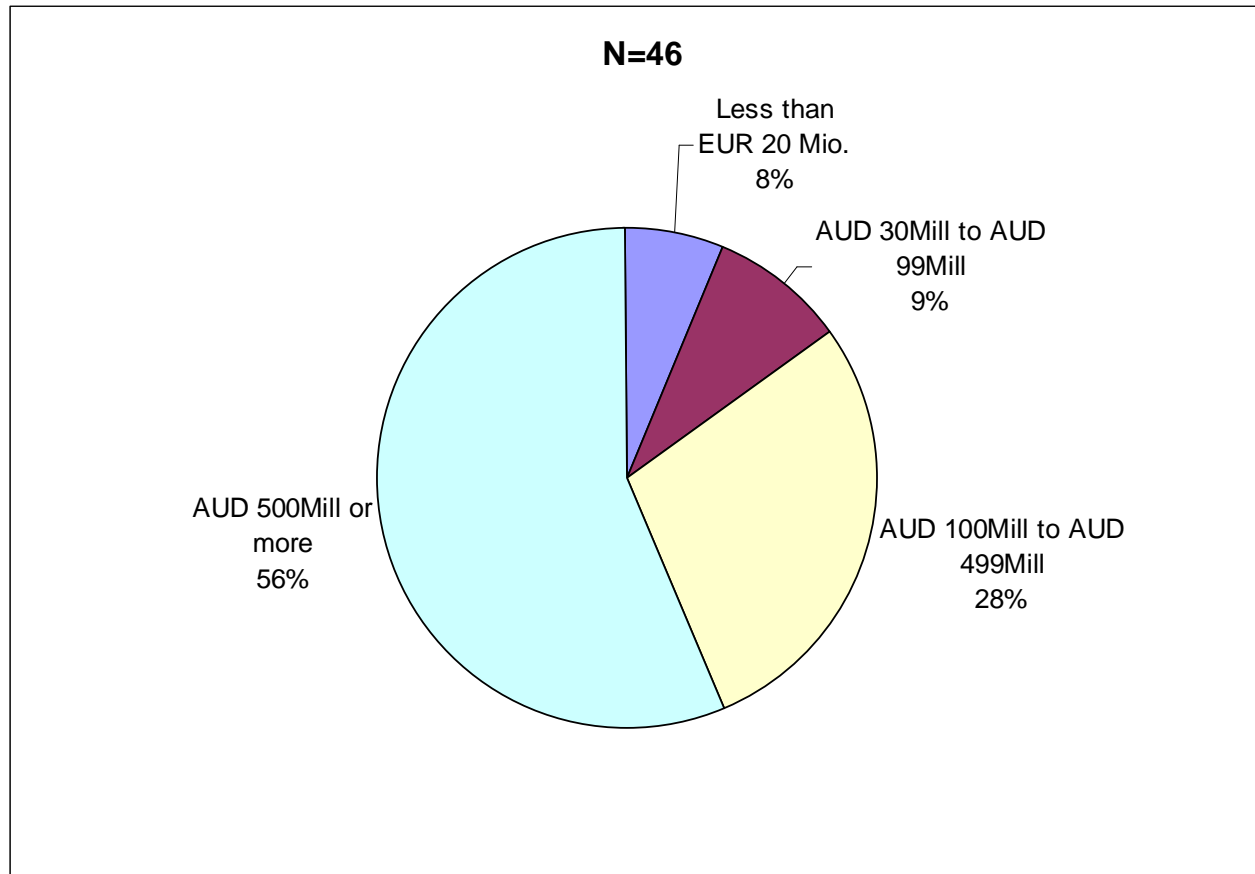
Sources of Information Used for Upgrade Information



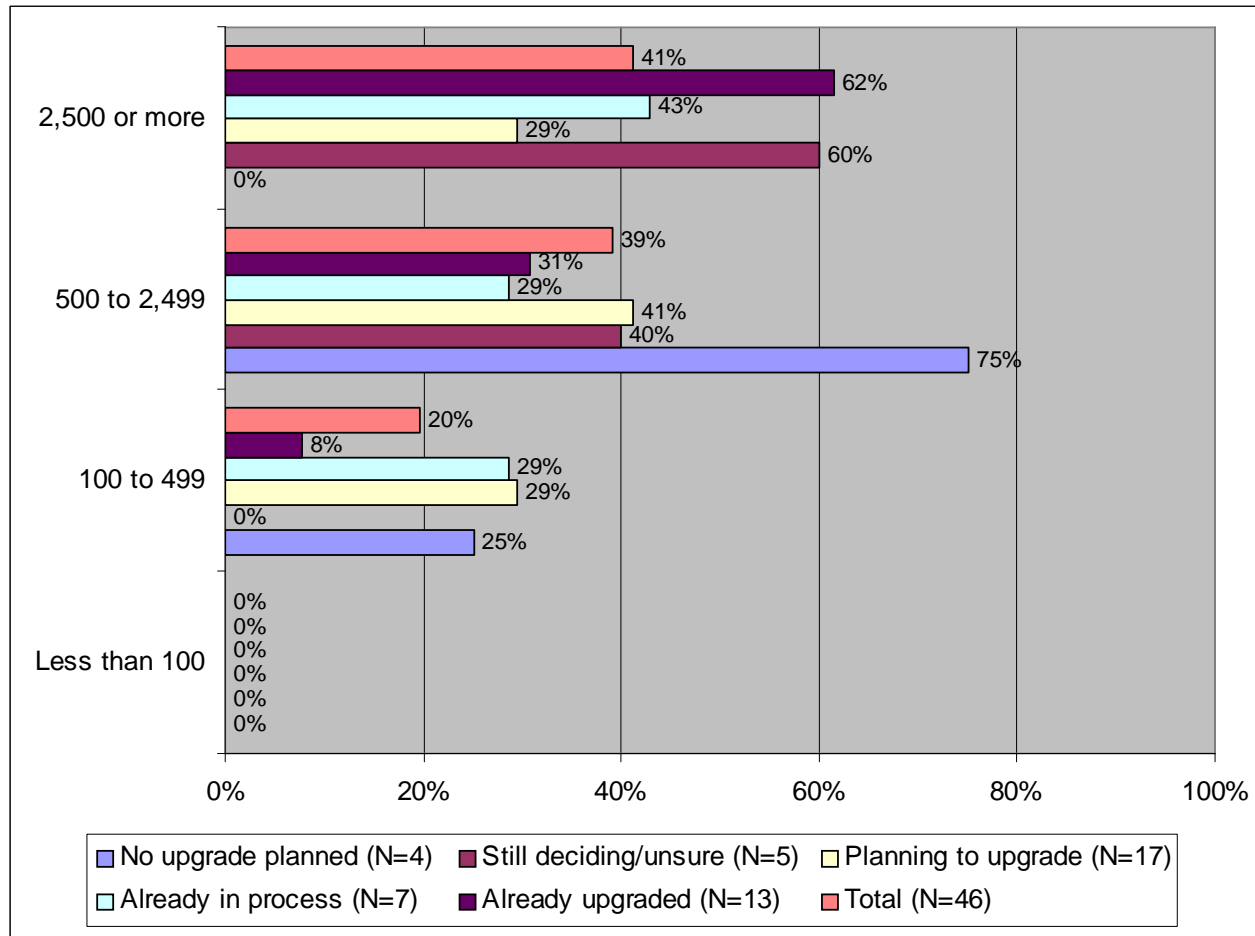
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Company Revenue



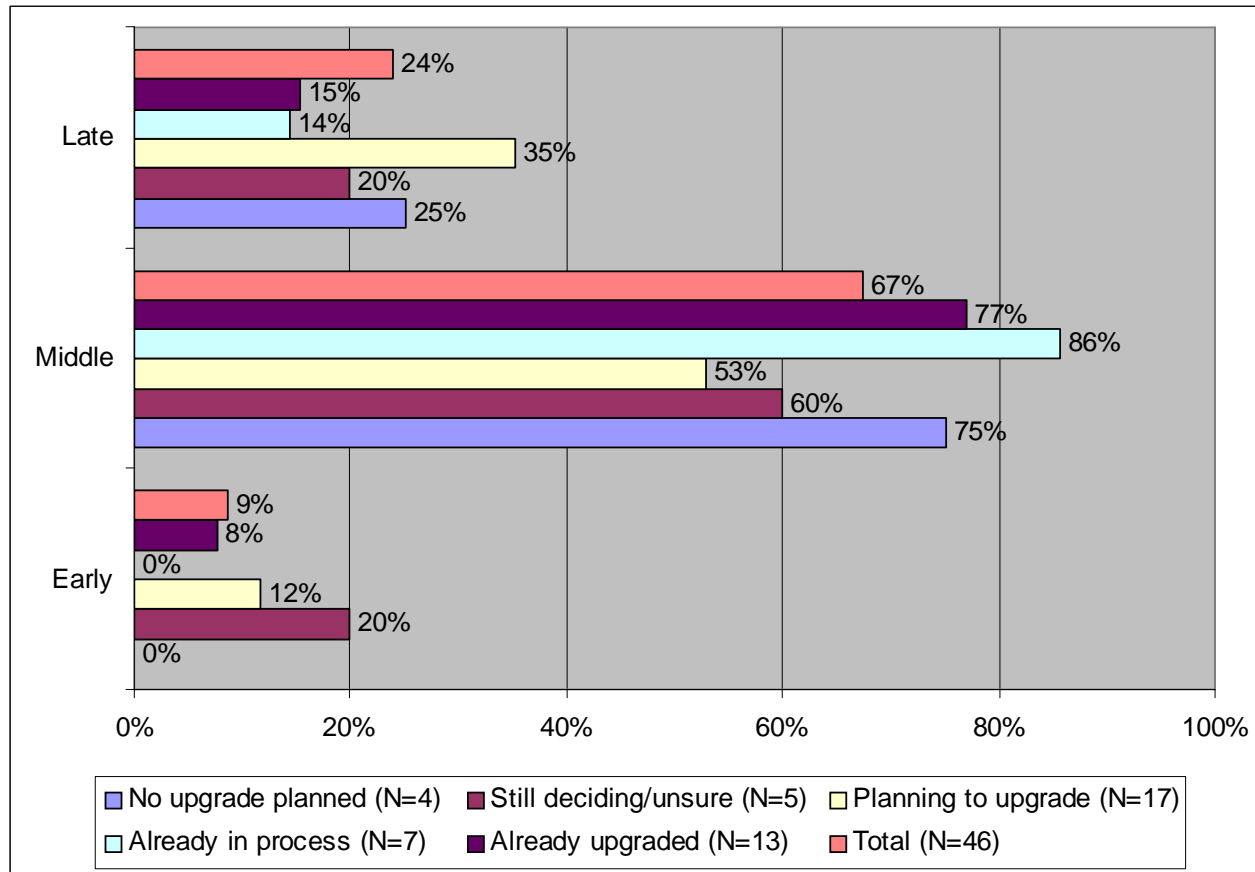
Number of Employees by Upgrade Status



Industry

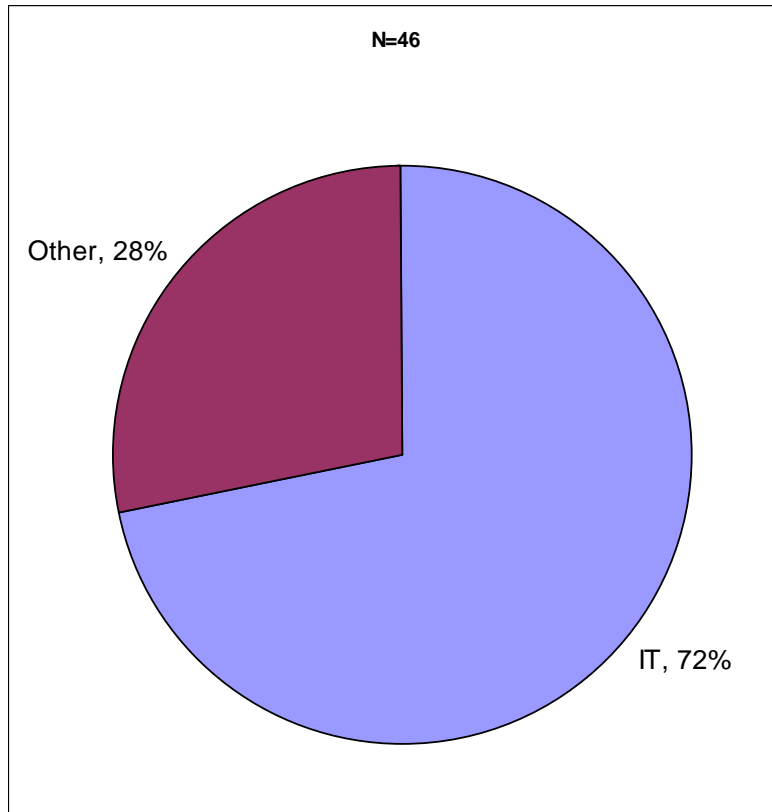
Public Sector	13%
Other	11%
Consumer Products	9%
Utilities & Waste	9%
Automotive	7%
Primary Metal & Mining	7%
Retail	7%
Engineering, Construction & Operation	4%
High Tech & Electronics	4%
Higher Education & Research	4%
Industrial Machinery & Components	4%
Media	4%
Building Materials	2%
Chemicals	2%
Health Care	2%
Insurance	2%
Logistical & Postal Services	2%
Oil & Gas	2%
Passenger & Cargo Services	2%
Wholesale	2%
Aerospace&Defence	0%
Banking	0%
Defense	0%
Fabricated Metal Products	0%
Forest Products, Furniture & Textile	0%
Life Science / Pharmaceuticals	0%
Professional Services	0%
Telecommunications	0%

Technology Adoption by Upgrade Status

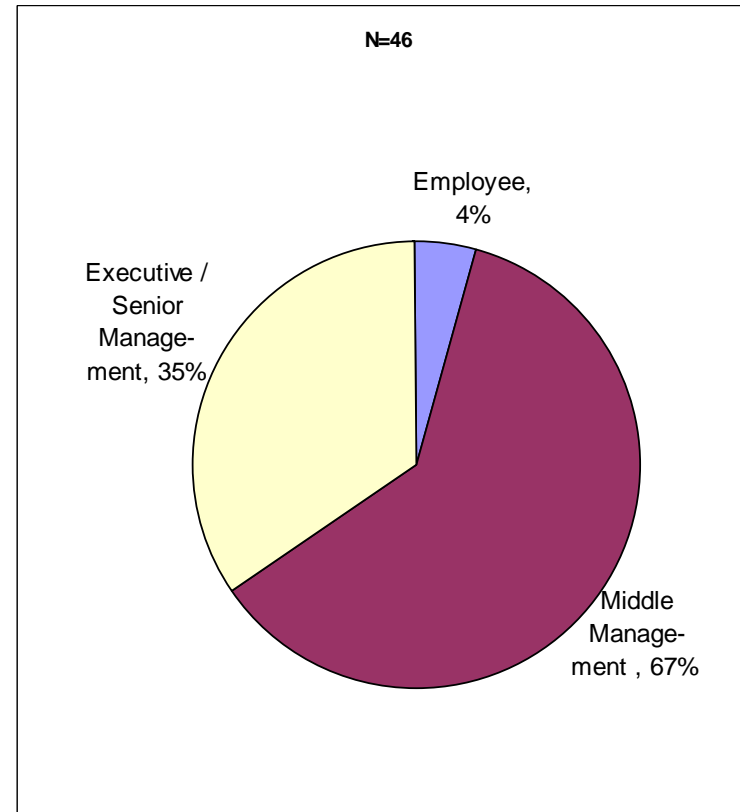


Appendix

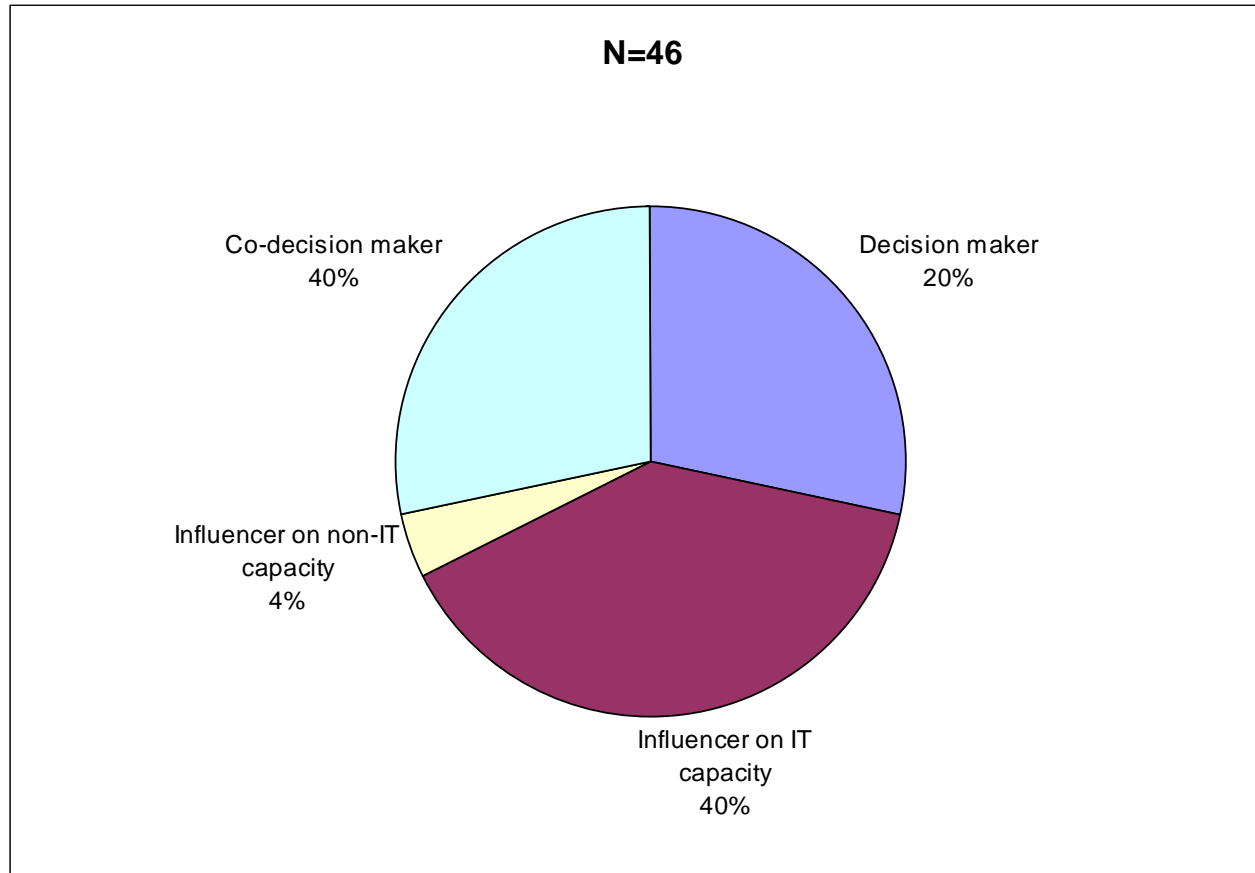
Department



Job Level

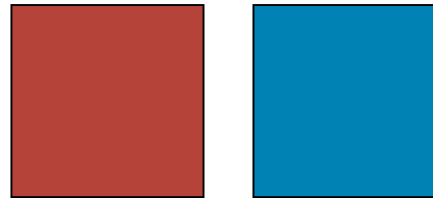


Software Upgrade Role



- SAUG colors – please use these color codes

Key colors



Secondary colors



Soft background or shading

