



Ecosystem VendorSphere 

SAP NOW Southeast Asia: Highlights

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Tech-Business Alignment Challenging IT Leaders

The increasing alignment between IT and business functions, while crucial for organisational success, complicates the management of enterprise systems. Tech leaders must balance rapidly evolving business needs with maintaining system stability and efficiency. This dynamic adds pressure to deliver agility while ensuring long-term ERP health, making management increasingly complex.

BIGGEST CHALLENGES OF TECHNOLOGY LEADERS IN SOUTHEAST ASIA

47%

Aligning with business leaders on their tech requirements

47%

Upskilling/Reskilling/
Hiring tech talent

45%

Understanding tech trends to define organisation's IT roadmap

44%

Having visibility/control over organisation's entire tech environment



As tech providers such as SAP enhance their capabilities and products, they will impact business processes, technology skills, and the tech landscape.

At SAP NOW Southeast Asia in Singapore, SAP presented their future roadmap, with a focus on empowering their customers to transform with agility.



Ecosystem Advisors provide insights on SAP's recent announcements and messaging.



Sash Mukherjee
VP Industry Insights



Tim Sheedy
VP Research

What was your key takeaway from the event?



Tim Sheedy
VP Research

SAP is making a strong comeback in Asia Pacific, ramping up their RISE with SAP program after years of incremental progress. The focus is on transitioning customers from complex, highly customised legacy systems to cloud ERP, aligning with the region's appetite for simplifying core processes, reducing customisations, and leveraging cloud benefits. Many on-prem SAP users have fallen behind on updates due to over-customisation, turning even minor upgrades into major projects – and SAP's offerings aim to solve for these challenges.



Sash Mukherjee
VP Industry Insights

A standout feature of the session was the compelling customer case studies. Unlike many industry events where customer stories can be generic, the stories shared were examples of SAP's impact. From Mitr Phol's use of SAP RISE to enhance farm-to-table transparency to CP Group's ambitious sustainability goals aligned with the SBTi, and Standard Chartered Bank's focus on empowering data analytics teams, these testimonials offered concrete illustrations of SAP's value proposition.



How is SAP integrating AI into their offerings?



Tim Sheedy
Principal Advisor

SAP, like other tech platforms, is ramping up their AI capabilities – but with a twist.

They are not only highlighting GenAI but also emphasising their predictive AI features. SAP's approach focuses on embedded AI, integrating it directly into systems and processes to offer low-risk, user-friendly solutions.

Joule, their AI copilot, is enterprise-ready, providing seamless integration with SAP backend systems and meeting strict compliance standards like GDPR and SOC-II. By also integrating with Microsoft 365, Joule extends its reach to daily tools like Outlook, Teams, Word, and Excel.

While SAP AI may lack the flash of other platforms, it is designed for SAP users – managers and board members – who prioritise consistency, reliability, and auditability alongside business value.



What is the value proposition of SAP's Clean Core?



Sash Mukherjee
Principal Advisor

SAP's Clean Core marks a strategic shift in ERP management.

Traditionally, businesses heavily customised SAP to meet specific needs, resulting in complex and costly IT landscapes. Clean Core advocates for a standardised system with minimal customisations, offering benefits like increased agility, lower costs, and reduced risk during upgrades. However, necessary customisations can still be achieved using SAP's BTP.

The move to the Clean Core is often driven by CEO mandates, as legacy SAP solutions have become too complex to fully leverage data. For example, an Australian mining company reduced customisations from 27,000 to 200, and Standard Chartered Bank used Clean Core data to launch a carbon program within four months.

However, the transition can be challenging and will require enhanced developer productivity, expansion of tooling, and clear migration paths.



How is SAP shifting their partner strategy?

As SAP customers face significant transformations, tech partners – cloud hyperscalers, systems integrators, consulting firms and managed services providers – will play a crucial role in executing these changes before SAP ECC loses support in 2027.



Tim Sheedy

VP Research

SAP has always relied on partners for implementations, but with fewer large-scale upgrade projects in recent years, many partner teams have shrunk. Recognising this, SAP is working to upskill partners on RISE with SAP. This effort aims to ensure they can effectively manage and optimise the modern Cloud ERP platform, utilise assets, templates, accelerators, and tools for rapid migration, and foster continuous innovation post-migration. The availability of these skills in the market will be essential for SAP customers to ensure successful transitions to the Cloud ERP platform.



Sash Mukherjee

VP Industry Insights

SAP's partner strategy emphasises business transformation over technology migration. This shift requires partners to focus on delivering measurable business outcomes rather than solely selling technology. Given the prevalence of partner-led sales in Southeast Asia, there is a need to empower partners with tools and resources to effectively communicate the value proposition to business decision-makers. While RISE certifications will be beneficial for larger partners, a significant portion of the market comprises SMEs that rely on smaller, local partners – and they will need support mechanisms too.



What strategies should SAP prioritise to maintain market leadership?



Tim Sheedy
VP Research

Any major platform change gives customers an opportunity to explore alternatives.

Established players like Oracle, Microsoft, and Salesforce are aggressively pursuing the ERP market. Meanwhile, industry-specific solutions, third-party support providers, and even emerging technologies like those offered by ServiceNow are challenging the traditional ERP landscape.

However, SAP has made significant strides in easing the transition from legacy platforms and is expected to continue innovating around RISE with SAP. By offering incentives and simplifying migration, SAP aims to retain their customer base. While SAP's focus on renewal and migration could pose challenges for growth, the company's commitment to execution suggests they will retain most of their customers. GROW with SAP is likely to be a key driver of new business, particularly in mid-sized organisations, especially if SAP can tailor offerings for the cost-sensitive markets in the region.



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