The Business Value of Enhancing Security and Resiliency with SAP Cloud ERP Private

Frank Dickson
Group Vice President,
Security and Trust, IDC

Megan Szurley
Business Value Manager,
Business Value Strategy Practice, IDC

Table of Contents

BUSINESS VALUE HIGHLIGHTS

Click any link and look for the ➤ symbol on the corresponding page. Use the Return to Highlights button to return to this page.

58%
quicker security patching

89%
faster cyberthreat detection

42%
decrease in overall exposure to business and operational risk

Executive Summary

This document describes the experiences of businesses that moved from on-premises ERP to a privately managed cloud ERP. By moving to a cloud operating model, they achieved various security and operational benefits, including reduced complexity, improved ease of use, enhanced resiliency, accelerated cloud transformation, and lower IT capital investments and overall IT infrastructure costs.

IDC conducted research that explored the value and benefits of how customers effectively manage and mitigate security risk with SAP Cloud ERP Private.

Based on an extensive data set and employing a specialized Business Value methodology, IDC calculates that these customers achieved benefits worth an annual average of $8.9 million per organization ($521,000 average annual benefit per SAP application) and a three-year ROI of 275% by:

- Up-leveling security operations in terms of threat identification and remediation to reduce business and operational risk
- Boosting the productivity and responsiveness of security operations teams
- Better managing business risk by minimizing the occurrence of unplanned downtime events disrupting business operations and quickly restoring service when events occur
- Reducing security expenses in key areas such as third-party support and security team hiring

Situation Overview

The modern era of cybersecurity began in December 2013, when a major data breach compromised millions of customer credit and debit card records. While it wasn't the first of its kind, this breach marked a turning point, shifting the awareness and impact of data breaches from government offices and financial institutions to everyday consumers. If someone wasn't directly affected, they likely knew someone who was. Since then, organizations have taken greater notice, as the public consequences of breaches have affected business performance and executive job security.

This incident highlighted the complexity of cybersecurity. Concepts such as compromised credentials and supply chain attacks, which were once obscure, have quickly become part of the public conversation. Almost overnight, concerns about where and how we might be vulnerable became widespread — a collective fear of the unknown. The result is a cybersecurity paradox where misconfigurations, vulnerabilities, and their known or unknown statuses create difficult-to-manage challenges. Protecting complex IT systems from hidden weaknesses requires deep expertise and significant resources.

When we think of cybersecurity and resilience, we tend to focus on stopping hackers and other malicious actors. However, cybersecurity involves constant updates and patches, regular maintenance, and the operation of a robust IT architecture to ensure resilience against evolving threats. By implementing comprehensive cybersecurity and resiliency strategies, businesses can protect their assets, maintain customer trust, and ensure operational continuity.

Enter the cloud. Infrastructure as-a-service (IaaS), platform-as-a-service, and software-as-a-service providers are willing to absorb many of the requirements of protecting organizational IT investments, as they have built-in core competencies around security, since it's a core part of their business. Organizations have benefited from the increasing leverage of these third-party service providers, reducing complexity while improving security efficacy.

SAP Cloud ERP Private Overview

As a leader in enterprise applications and business AI, SAP stands at the nexus of business and technology. The SAP Business Suite offers the next era of enterprise management by unifying applications, data, and AI to unlock agility, efficiency, and innovation at scale. By integrating every function across the enterprise, the dynamic system delivers seamless processes, real-time insights, and optimized operations.

When SAP customers modernize their on-premises ERP systems to the cloud, they gain access to the SAP Business Suite for more efficient and effective digital transformation. RISE with SAP provides a tailored transformation journey for SAP ERP customers to quickly unlock the full value of the SAP Business Suite by modernizing to cloud ERP and transitioning to a cloud-based operating model.

The RISE with SAP journey helps companies achieve a clean core ERP for easier and faster upgrades to have access to the latest innovations. The journey also enables companies to adopt standard business processes while maintaining the flexibility to create company-specific processes using developer and low-code/no-code tools that support clean core-compliant extensions and integrations.

SAP Cloud ERP Private offers comprehensive cloud operations services, enabling IT resources to focus on strategic priorities by offloading technical operations to SAP. Customers benefit from greater system reliability and advanced security that cloud operations provide.

By moving to a cloud ERP, businesses achieve a range of security and operational benefits to transform and optimize their processes.

Key security advantages include:

- **Shared fate model:**
  Hyperscaler IaaS providers, including AWS, Microsoft Azure, and Google Cloud Platform, offer secure datacenters and virtual infrastructure. This model transfers many security responsibilities to SAP and the hyperscale provider, enabling the business to focus on its core responsibilities and core business.
- **High availability and disaster recovery:**
  SAP manages patches, updates, security monitoring, and disaster recovery, ensuring efficient operational continuity.
- **Compliance and data protection:**
  SAP provides contractual assurances for personal data protection, privacy, and independent third-party audit reports.

The Cybersecurity and Resilience Business Value of SAP Cloud ERP Private

Study Firmographics

IDC conducted research that explored the value and benefits for organizations using SAP Cloud ERP Private to manage and mitigate cyberthreats. The project included 10 interviews with organizations that migrated from on-premises ERP to SAP Cloud ERP Private using the RISE with SAP transformation journey. During the interviews, IDC asked companies various quantitative and qualitative questions about the offering's impact on their security operations, core businesses, and costs.

Table 1 presents study firmographics. The organizations that IDC interviewed had an average base of 103,906 employees and average annual revenues of $21 billion. These companies had an IT staff of 3,774 professionals supporting 1,145 business applications. In terms of location, five companies were based in the United States, with the remainder in Spain (2), Germany, Argentina, and Thailand. There was representation across numerous market sectors.

TABLE 1

Firmographics of Interviewed Organizations

Firmographics	Average	Median	Minimum	Maximum
Number of employees	103,906	12,500	80	750,000
Number of IT staff	3,774	400	4	27,000
Number of business applications	1,145	200	4	6,000
Company revenue	$21B	$5B	$155M	$61B
Countries	United States (5), Spain (2), Germany, Argentina, Thailand			
Industries	Agriculture, Biotech, Consulting, Financial Services, Healthcare, Life Sciences, Manufacturing, Professional Services, Resources (2)			

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Choice and Use of SAP Cloud ERP Private

The organizations that IDC interviewed described the decision criteria involved in their decision to onboard with SAP Cloud ERP Private. They were seeking a service that would enable them to effectively manage risk and accelerate digital transformation in their IT environments. Study participants noted that the decision to migrate to Cloud ERP was consistent with their corporate global IT strategy to move resources and applications to the cloud. Additionally, they noted that SAP helped them improve disaster recovery and ensure business continuity while providing optimal data analysis capabilities. They appreciated that in partnering with SAP, they would gain access to best practices on an industry-wide basis.

Study participants elaborated on these and other selection criteria:

Best overall solution (technology):

"My organization outgrew our previous self-developed ERP and selected SAP by doing a very intense preliminary study and looking into other market leaders. We basically had a catalog of 130 different topics, which included security among many other things. Ultimately, SAP had the best all-around solution and got the most points."

Risk reduction to support innovation (agriculture):

"Our decision to use SAP Cloud ERP Private embedded security services was driven by our enterprise risk management practice. They identified a risk around our SAP platform that would require a lot of time to manage internally. As part of our digital transformation road map, we plan to do a lot of innovation with SAP. To do that level of innovation, we need to ensure that the system is secure, reliable, and less taxing to manage."

Transformation efforts (consulting):

"My organization views SAP as an enabler. Our global IT strategy is to be on the SAP public cloud and own nothing. We plan to get all applications off internally managed equipment and use their provided services."

Simplification (manufacturing):

"My organization selected SAP to simplify our subscriptions and better manage our environment."

Business continuity (healthcare):

"My organization was looking at benefits within SAP Cloud ERP Private that are database specific. We selected it to improve disaster recovery, ensure business continuity, and enable fast data analysis. Regarding database security, we found there was good value."

Guaranteed security standards (resources):

"My company decided, if there is anyone who knows the security requirements of their platform well, it is SAP. Most security issues stem from bad practices. SAP Cloud ERP Private was appealing because they provide frameworks where they guarantee certain security standards."

Table 2 provides a quantitative view of SAP Cloud ERP Private usage after the RISE with SAP journey across all companies at the time of the interviews. On average, there were 3,718 internal users utilizing 17 SAP applications. Additionally, the platform accounted for 59% of the total annual revenue, indicating broad usage. Additional metrics are presented.

TABLE 2

Environments Managed by SAP Cloud ERP Private

RISE with SAP Environment	Average	Median
Number of databases	42	6
Number of VMs	218	30
Number of SAP applications	17	10
Number of employees using SAP applications	3,718	2,000
Percentage of revenue supported	59%	70%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Business Value and Quantified Benefits

IDC data gathered from study participants confirmed that the services and solutions embedded within SAP Cloud ERP Private fulfilled their promised value by effectively managing and mitigating business and operational risks through enhanced security operations, particularly in terms of threat identification and remediation. Additionally, it enhanced the productivity and responsiveness of security operations teams, freeing up time for innovation. Another key benefit was the ability to increase performance and reliability, thereby minimizing the occurrence of unplanned downtime events that could negatively impact business continuity. Companies found that SAP Cloud ERP Private services and solutions helped them reduce security expenses in key areas such as third-party support and security team hiring.

Study participants offered these comments on the most significant benefits of moving to cloud ERP with RISE with SAP journey:

Greater ability to innovate (consulting):

"There are huge benefits of SAP Cloud ERP Private because it's an enabler. As a result of service and maintenance being taken care of in the cloud, we have shifted the skills of teams that are charged with integration, security, and architecture. They can now drive more value for the business."

Lower cost of ownership (manufacturing):

"SAP Cloud ERP Private helps lower our total cost of ownership. It is better for us to have security managed than to manage it ourselves. We don't have a need for the resources internally that we are getting from RISE."

Strong support (financial services):

"SAP Cloud ERP Private provides great support. While we have never had a break in security, when we have questions, they immediately jump to try to understand and help. The change is drastic, and there is no way back. My company is committed to RISE."

Better monitoring and patching (healthcare):

"For security, SAP Cloud ERP Private provides value around defining secure configuration, best practices, and security audits. It has helped overall monitoring. Additionally, the service provides system logs, regular security updates, and patches across all security features."

Tighter security (biotech):

"With SAP Cloud ERP Private, it is clear what is their responsibility and what is ours. This enabled controls to be adjusted and doubled, which makes our auditors happy. Also, from a security and InfoSec aspect, the service provides a higher level of confidence in the security of our environment because SAP has our back. It is nice knowing that SAP is behind the scenes keeping a tight eye on threats, which we trust because they are hosting so many systems."

Figure 1 (next page) presents IDC's calculations of cumulative customer benefits after adoption of the security services after moving to SAP Cloud ERP Private. As shown, IDC quantified the average annual benefits at $8.9 million per organization ($521,000 per SAP application).

IDC derived these benefits from four core areas:

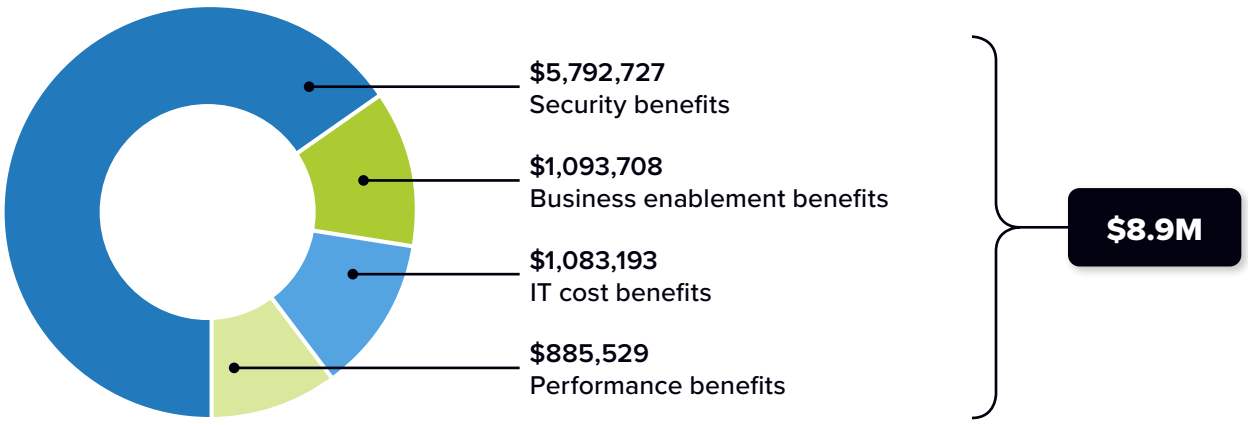
- **Security benefits:**
  SAP Cloud ERP Private enhanced security operations in threat identification and remediation, along with team performance.

- **Business enablement benefits:**
  The platform provided better overall risk management, optimized end-user productivity, and increased overall business effectiveness.
- **IT cost benefits:**
  Interviewed companies were able to improve their risk profiles cost-effectively, partly by reducing third-party and security team expenses.
- **Performance benefits:**
  SAP Cloud ERP Private significantly enhanced performance and reliability, resulting in reduced downtime.

FIGURE 1

Average Annual Benefits Per Organization from SAP Cloud ERP Private Security Services

($ per interviewed organization)



n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Security Benefits of SAP Cloud ERP Private

IDC used its Business Value methodology to evaluate the specific benefits of adopting SAP Cloud ERP Private for security operations. Interviewed companies noted that the platform helped them become more proactive, rather than reactive, through improved threat management, policy definition, and monitoring. Respondents appreciated that the move to a cloud ERP freed up time for their security teams, thereby helping individual staff members develop new skill sets. In addition, companies appreciated the use of defined industry-standard monitoring and predictive analysis to identify potential problems before they occurred.

Study participants elaborated on these improvements:

Threat management support (agriculture):
"SAP Cloud ERP Private has helped with threat management. There is more assurance because they are much stricter than what we did previously."

Reduced threat landscape (life sciences):
"SAP Cloud ERP Private has reduced our threat landscape. It is a benefit that SAP takes care of the environment through the service so that we don't have to be bothered with it. They only inform us if there is a big incident that happens."

Proactive approach to security (professional services):
"SAP Cloud ERP Private enables our security team to be proactive instead of reactive, which was not possible before. It helps with threat management, policy definition, monitoring, data protection, and overall security."

Strong monitoring support (consulting):
"SAP Cloud ERP Private helps with monitoring because they use defined industry standard monitoring, and they own the software. They know exactly what to monitor and where bottlenecks are and do predictive analysis before problems occur."

Threat monitoring and notifications (biotech):
"A benefit of SAP Cloud ERP Private is that it monitors and provides threat notifications, instead of my team having to be aware of everything and do that work themselves. We get alerts from them on a very regular basis regarding potential threat notifications, patches that need to be applied, and the urgency factor of patches. Their team does all the due diligence, and we don't have to worry about it."

Greater vulnerability awareness (manufacturing):
"On the security front, SAP Cloud ERP Private is giving my company awareness of any known vulnerabilities and how they are being addressed. From a cybersecurity perspective, we rely on their expertise and information to react to issues in our environment. When we address the vulnerability, RISE does the research for us and helps. It is a good benefit."

Freed-up time (resources):
"By freeing up time, SAP Cloud ERP Private has enabled our security team to focus on developing new skills that can benefit other parts of the company."

IDC applied its Business Value methodology to validate this anecdotal reporting by quantifying adoption impacts, beginning with improvements for security operations center (SOC) teams. Moving to a cloud ERP enabled this team to work with greater efficiency by providing patch management, maintenance support, proactive monitoring, and research, as well as the necessary support to improve operational resiliency. IDC calculated that, after adoption, the SOC in general experienced a 37% increase in career satisfaction, accompanied by a 20% increase in the time available to work on innovative projects or provide more direct support to business needs and operations.

Table 3 quantifies these benefits. After adoption, teams experienced a 50% efficiency boost, thereby enabling staff to better scale with organizational growth. This efficiency resulted in teams requiring 11.3 fewer FTEs to spend on repetitive and routine SOC management tasks compared to their prior environment. These FTEs were able to finally focus on value-adding and more strategic security priorities. IDC valued this improvement at $1,125,227 for each organization.

TABLE 3

Security Operations Center Efficiency Gain

Efficiency Gain	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Value of staff time per year	$2,255,227	**$1,130,000**	$1,125,227	50%
Dedicated FTE effort (count)	22.6	**11.3**	11.3	50%

Note: These FTEs were finally able to focus on value-adding and more strategic security priorities.
n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Security analyst teams experienced similar benefits. Security analysts benefited from the real-time monitoring and proactive analysis that SAP Cloud ERP Private provides, enabling them to work more effectively. This efficiency boost translated into organizations managing their normal workloads with 6.4 fewer FTEs, allowing the staff to work on higher-value security initiatives, threat prevention, and strategic risk management. IDC valued this staff time improvement at $635,101 for each organization (see **Table 4**).

TABLE 4

Security Analysts Efficiency Gain

Efficiency Gain	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Value of staff time per year	$1,275,726	**$640,625**	$635,101	50%
Dedicated FTE effort (count)	12.8	**6.4**	6.4	50%

Note: These FTEs were able to work on higher-value security initiatives, threat prevention, and strategic risk management.
n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

IDC looked at post-adoption impacts for incident and threat management monitoring/response teams. Interviewed organizations found that those tasked with monitoring and response were able to work with greater efficiency because the embedded security service of SAP Cloud ERP Private provided real-time threat monitoring, detection, and prioritization.

After adoption, the companies interviewed saw a 48% efficiency boost for the teams with 2.9 fewer FTEs needed to manage the same environments (**Table 5**). This efficiency gain enabled them to focus on strategic security improvements, expedite threat resolution, and implement advanced protective measures. This resulted in an average annual staff-related value of $294,400 for each organization.

TABLE 5

Incident and Threat Management Monitoring/Response Team Efficiency Gain

Efficiency Gain	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Value of staff time per year	$614,400	**$320,000**	$294,400	48%
Dedicated FTE effort (count)	6.1	**3.2**	2.9	48%

Note: These FTEs were able to focus on strategic security improvements, expedite threat resolution, and implement advanced protective measures.
n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

After the adoption of SAP Cloud ERP Private, the data protection and response teams worked with greater efficiency because the platform provided quality automated data backups, enhanced data protection, and proactive threat detection. Teams achieved a 68% efficiency boost, resulting in an annual staff-related value of $831,049 (see **Table 6**).

TABLE 6

Data Protection and Response Team Efficiency Gain

Efficiency Gain	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Value of staff time per year	$1,220,049	**$389,000**	$831,049	68%
Dedicated FTE effort (count)	12.2	**3.9**	8.3	68%

Note: These FTEs were able to work with greater efficiency.
n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

IDC then shifted the focus to hyperscale account security teams, which benefited from moving to SAP Cloud ERP Private by ensuring that their infrastructure and networks were compliant and secure, thereby freeing up their time to support business initiatives and innovation. **Table 7** shows that these teams improved their overall efficiency by 52%, resulting in an average annual business value of $400,410.

TABLE 7

Hyperscale Account Security Team Efficiency Gain

Efficiency Gain	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Value of staff time per year	$767,910	**$367,500**	$400,410	52%
Dedicated FTE effort (count)	7.7	**3.7**	4.0	52%

Note: These FTEs were able to free up their time to support business initiatives and innovation.

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

SAP Cloud ERP Private enabled DevOps/DevSecOps teams to work with greater productivity by maintaining scalable, integrated, secure, and compliant work environments. **Table 8** shows a 21% productivity boost for DevOps/DevSecOps teams, meaning that teams of 54.5 FTEs could work with the equivalent productivity level of having 11.2 additional FTEs on staff. This resulted in substantial annual staff time savings worth $1,123,367 per organization.

TABLE 8

DevOps and DevSecOps Team Productivity Gain

Efficiency Gain	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Value of staff time per year	$5,450,000	**$6,573,367**	$1,123,367	21%
Dedicated FTE effort (count)	54.5	**65.7**	11.2	21%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Interviewed organizations significantly benefited from moving to SAP Cloud ERP Private supporting and enabling risk reduction through quicker backups, patching, and assessments. IDC developed performance data by measuring a series of key performance indicators (KPIs) associated with typical operations. As shown in **Figure 2**, IDC identified improvements in various tasks.

FIGURE 2

Security Operations KPIs

(Percentage quicker)

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

IDC noted that companies that took the RISE with SAP journey have experienced several positive cyberthreat detection and remediation KPIs. Interviewed organizations found that the embedded security services of SAP Cloud ERP Private provided quick and comprehensive threat detection, which increased their confidence in their overall levels of cyber-resiliency. Agreeing with this statement, a participant from a manufacturing organization noted, *"SAP is a large enterprise application, and my company does not have the internal expertise to understand specific security risks. Leveraging the knowledge and the expertise, RISE is allowing us to be more confident in managing security risk."*

The key cyberthreat detection and remediation performance improvements are as follows:

- 89% faster cyberthreat detection
- 39% more threats identified and remediated
- 50% quicker threat remediation
- 42% decrease in overall exposure to business and operational risk

Additionally, as a direct result of the security services that SAP provides in the cloud, interviewed organizations avoided the need to hire hard-to-find, specialized security talent. As shown in **Table 9**, this amounted to $2,250,000 in annual FTE hiring avoidance, representing substantial savings.

TABLE 9

Annual Security Team Hiring Avoidance

Hiring Avoidance	FTEs Avoided	Value of FTE Hiring Avoidance
Annual FTE hiring avoidance	22.5	$2,250,000

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

The high-quality embedded security support and service from SAP in the cloud decreased the need for large third-party managed detection and response (MDR) contracts. As shown in **Table 10**, this amounted to $920,207 in annual retainer cost avoidance.

TABLE 10

Annual Third-Party Security and MDR Service Cost Reduction

Cost Reduction	With SAP Cloud ERP Private
Annual retainer avoidance	**$920,207**

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

SAP Cloud ERP Private enabled interviewed organizations to consolidate and/or retire numerous security tools and software. As shown in **Table 11**, the annual license/tool consolidation/retirement cost savings amounted to $1,083,193.

TABLE 11

Annual License/Tool Consolidation/Retirement Cost Savings

Cost Reduction	With SAP Cloud ERP Private
License/tool consolidation/retirement cost savings	**$1,083,193**

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Performance Benefits of the RISE with SAP Journey

Moving to another key assessment area, interviewed organizations reported significant performance benefits resulting from the use and deployment of cloud ERP after their RISE with SAP journeys. The most significant of these was a substantial reduction in unplanned downtime and its negative effects on end-user performance and the ability of customers and business partners to access applications. In comments made to IDC, interviewed companies noted that the adoption of SAP Cloud ERP Private either eliminated the unplanned downtime they had experienced previously or reduced its instances to rare occurrences.

Study participants elaborated:

Less unplanned downtime (life sciences):
"So far, with SAP Cloud ERP Private, there has been some planned downtime, but in terms of unplanned, there's been none. With the cobbled-together tools, my organization probably had 1–2 unplanned incidents a month."

Rare unplanned downtime (consulting):
"Application unplanned downtime is very rare with SAP Cloud ERP Private, and we are very happy about that."

No unplanned downtime with service (resources):
"Since my organization started using SAP Cloud ERP Private, we have never experienced any unexpected incidents that caused operational downtime. We believe this is due to the strength of their service."

To drill down on this benefit category, IDC examined how SAP Cloud ERP Private impacted business-critical applications. Interviewed organizations noted that moving to a cloud ERP improved the performance and reliability of their existing SAP applications. As a result, the platform reduced the frequency of unplanned application downtime while improving the time it took to resolve these outages, leading to increased end-user productivity.

Table 12 quantifies these improvements. It's noteworthy that, after adoption, the frequency of unplanned downtime for applications was significantly reduced by 67%. In addition, when outages did occur, they took 42% less time to resolve. This enabled greater end-user productivity and yielded a substantial annual business value of $1,158,711. Additional metrics are provided.

TABLE 12

Application Unplanned Downtime — End-User Impact

End-User Impact	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Number of outages per year	4.2	**1.4**	2.8	67%
MTTR, hours	14.7	**8.6**	6.1	42%
Users impacted by downtime	2,275	**2,275**	N/A	N/A
Percentage of productivity loss factor	28%	**28%**	N/A	N/A
Number of FTEs impacted by downtime per year	20.5	**4.0**	16.6	81%
Value of lost productive time per year	$1,438,205	**$279,494**	$1,158,711	81%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Business Enablement Benefits of RISE with SAP

Interviewed companies told IDC that cost-effectively improving overall security operations and security team performance, along with the ancillary benefits previously described, had direct and indirect positive impacts on their business operations. They noted that moving to a cloud ERP helped them centralize their global security strategy and that, with the advantage of a cloud-based approach, they could better support the global expansion of their IT footprint. They appreciated that SAP Cloud ERP Private helped them avoid the likely and expected performance degradation resulting from continuing to rely on external tools. They commented on the value of security certification ready availability of reports.

Study participants offered these detailed comments:

Reduced end-user impact (life sciences):
"From a business side, it doesn't make a visible impact for end users, which is the goal. With the cobbled-together tools that we were previously using, being invisible was not always possible from a service standpoint. End users were impacted by the breaking of tools or downtime that someone had to figure out how to resolve."

Less performance degradation (professional services):
"All of our SAP users are avoiding performance degradation that would probably happen if we used the external tools instead of SAP Cloud ERP Private."

Security certification and reports (agriculture):
"The most significant benefit of SAP Cloud ERP Private is the certification and reports that they provide that help us discuss internally and externally that our critical environment is secure. They are especially helpful with key clients to show them that and explain to them that our SAP environment is protected and managed with good industry practices."

Business expansion support (consulting):
"Our business is expanding, especially overseas, so having RISE with SAP to support us and to make sure that we have the system in place so that we can continue to expand is beneficial. We can do more revenue because we have SAP Cloud ERP Private than if we had stayed on premises."

Centralized security strategy (financial services):
"SAP Cloud ERP Private enables centralized global security strategy and coordination."

IDC quantified business enablement benefits beginning with end-user productivity. Interviewed organizations noted that end users were able to work with greater productivity as a result of increased performance and less IT service degradation and downtime. As note previously, one study participant working in the consulting sector described it this way: *"Our business is expanding, especially overseas, so having SAP to support us and to make sure that we have the system in place so that we can continue to expand is beneficial. We can foster greater revenue because we have SAP Cloud ERP Private rather than if we had stayed on premises."*

Table 13 shows end-user productivity gains of 11%, factoring in a 15% operating margin, which led to an annual business value of $787,780 for each organization.

TABLE 13

Business Enablement — End-User Productivity Gains

Productivity Gains	Before SAP Cloud ERP Private	With SAP Cloud ERP Private	Difference	Benefit
Value of staff productivity per year	$46,340,000	**$47,127,780**	$787,780	1.7%
Equivalent productivity level, FTEs	662	**737**	75	11%
Total FTE count, net	662	**673**	11	1.7%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Continuing with business enablement, IDC quantified improvements in actual business results. Participants benefited from SAP Cloud ERP Private, which centralized their approach to security, provided evidence of security methods to customers, and enabled the expansion of their overall business on a global scale.

Table 14 shows significant revenue gains, with a total additional annual gross revenue of $4,288,889 calculated for each organization. Additionally, for the purposes of IDC's financial model, IDC applied a 15% operating margin assumption, resulting in net revenue gains of an annual average of $643,333 per organization.

TABLE 14

Business Enablement — Higher Revenue

Higher Revenue	Per Organization	Per SAP Application
Total additional gross revenue per year	**$4,288,889**	**$252,288**
Assumed operating margin	15%	15%
Total additional net revenue, IDC model	**$643,333**	**$37,843**

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

ROI Summary

Summarizing the financial and business benefits associated with cybersecurity and resilience for study participants' moving to cloud ERP with the RISE with SAP journey, IDC calculated an average three-year ROI. As shown in **Table 15**, IDC projects that these companies will achieve three-year discounted benefits worth an average of $20,605,100 per organization through significantly improved SAP security, enhanced staff efficiencies, and better business results. These benefits compare with the total three-year discounted costs of $5,498,500 per organization. These levels of benefits and investment costs are projected to result in an average three-year ROI of 275% with a payback period of 12 months.

TABLE 15

Three-Year ROI Analysis of Security Services from SAP Cloud ERP Private

Analysis	Per Organization	Per SAP Application
Discounted benefits	$20,605,100	$1,212,065
Discounted investment	$5,498,500	$323,441
Net present value (NPV)	$15,106,600	$888,624
ROI	275%	275%
Payback	12 months	12 months
Discount factor	12%	12%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

Challenges/Opportunities

Adopting a cloud ERP using the RISE with SAP journey comes with important considerations that organizations should evaluate to maximize its benefits.

One key consideration is the shift in financial strategy. Moving from a traditional capex model to an opex model requires a new approach to budgeting and financial planning, particularly for businesses accustomed to perpetual licensing. However, this transition offers greater flexibility and predictable costs over time.

Another factor is managing custom or third-party products. Since RISE with SAP provides guidance for clean core ERP, organizations with highly customized environments may need to reassess their existing systems and processes. While this may require adjustments, it presents an opportunity to streamline operations and embrace best practices.

Integration complexities may also arise. With SAP's extensive suite of services, organizations must ensure seamless integration with existing systems. Planning thoughtfully and leveraging SAP's integration tools can help maintain operational continuity and unlock new efficiencies.

Finally, some businesses remain tied to legacy systems. While many recognize the potential of cloud technology, a key opportunity for SAP and its partners lies in educating customers on how to fully leverage these capabilities, thereby driving innovation and long-term success.

Conclusion

The RISE with SAP journey to a cloud ERP has proven to be a transformative experience for organizations, offering substantial cybersecurity and operational benefits. By migrating from on-premises ERP systems to the private cloud, businesses have achieved enhanced security operations, reduced complexity, and improved resiliency. This IDC study highlights that organizations experienced quicker security patching, faster cyberthreat detection, and a significant decrease in overall exposure to business and operational risks. These improvements have enhanced the productivity and responsiveness of security operations teams, minimizing unplanned downtime and ensuring business continuity and operational efficiency.

The financial impact of adopting the security services provided with SAP Cloud ERP Private is noteworthy. Organizations reported an average annual benefit of $8.9 million per organization, with a three-year ROI of 275%. The transition to a cloud-operating model has enabled companies to lower IT capital investments, reduce security expenses, and avoid the need for specialized security talent. The comprehensive security services of SAP Cloud ERP Private, including threat management, proactive monitoring, and data protection, have empowered businesses to focus on innovation and strategic priorities.

Appendix: Methodology

Table 16 presents a summary of IDC's Business Value calculations as fully described in the previous sections, with total average annual benefits of $8.9 million per organization accruing annually.

TABLE 16

Specific Calculations: Benefits from Use of RISE with SAP

Category of Value	Average Quantitative Benefit	15% Margin Applied	Calculated Average Annual Value
License/tool consolidation/ retirement cost savings	$1,083,193 in annual cost savings	No	$1,083,193
SOC efficiency gains	50% more efficient, worth 11.3 FTEs, $100,000 salary	No	$859,939
Security analysts' efficiency gains	50% more efficient, worth 6.4 FTEs, $100,000 salary	No	$485,367
Security monitoring/incident/ threat management and response team efficiency gains	48% more efficient, worth 2.9 FTEs, $100,000 salary	No	$224,991
Data protection and response team efficiency gains	68% more efficient, worth 8.3 FTEs, $100,000 salary	No	$635,117
Hyperscaler account security team efficiency gains	52% more efficient, worth 4.0 FTEs, $100,000 salary	No	$306,008
Annual third-party security and MDR service cost reduction	$920,207 in annual cost savings	Yes	$703,255
Security team hiring avoidance	$2,250,000 in annual cost savings	No	$1,719,531
Unplanned downtime, end-user benefit	81% productivity loss avoidance, worth 16.6 FTEs, $70,000 salary	No	$885,529

Table 16 continued ▶

Table 16 continued

Category of Value	Average Quantitative Benefit	15% Margin Applied	Calculated Average Annual Value
DevOps and DevSecOps team productivity gains	21% higher productivity worth 11.2 FTEs, $70,000 salary	No	$858,518
Business enablement — end-user productivity gains	1.7% higher productivity worth 11 FTEs, $70,000 salary	Yes	$602,050
Business enablement — higher revenue	$643,333 in additional net revenue	Yes	$491,659
Total average annual benefits	**$8.9M per organization per year**	N/A	N/A

n = 10; Source: IDC Business Value In-Depth Interviews, January 2025

IDC utilized its standard ROI methodology for this project. This methodology gathers data from current users of RISE with SAP as the foundation for the model.

Based on interviews with organizations using SAP Cloud ERP Private, IDC performed a three-step process to calculate the ROI and payback period:

1. **IDC gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of moving to SAP Cloud ERP Private.** In this study, the benefits included IT cost reductions and avoidance, staff time savings and productivity benefits, and revenue gains.
2. **IDC created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments extend beyond the initial and annual costs of SAP Cloud ERP Private and may include additional expenses related to migrations, planning, consulting, and staff or user training.
3. **IDC calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of SAP Cloud ERP Private over a three-year period. ROI is the ratio of the NPV and the discounted investment. The payback period is the point at which the cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on several assumptions, which are as follows:

- IDC multiplied time values by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and productivity savings. For this analysis, IDC has used assumptions of an average fully loaded $100,000 per year salary for IT staff members and an average fully loaded salary of $70,000 for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).
- IDC calculates the net present value of the three-year savings by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for the assumed cost of money and the rate of return.
- Further, because the RISE with SAP journey requires a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC pro rates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

About the IDC Analysts

Frank Dickson
Group Vice President, Security and Trust, IDC

Frank Dickson is the group vice president for IDC's Security and Trust research practice. In this role, he leads the team that delivers compelling research in the areas of AI security; cybersecurity services; information and data security; endpoint security; trust; governance, risk, and compliance; identity and digital trust; network security; privacy and legal tech; and application security and fraud. Topically, he provides thought leadership and guidance for clients on a wide range of security topics, including ransomware and emerging products designed to protect transforming architectures and business models.

More about Frank Dickson

Megan Szurley
Business Value Manager, Business Value Strategy Practice, IDC

Megan Szurley is manager for the Business Value Strategy practice, responsible for creating custom business value research that determines the ROI and cost savings for enterprise technology products. Szurley's research focuses on the financial and operational impact of these products for organizations once deployed and in production. Prior to joining the Business Value Strategy practice, Szurley was a consulting manager within IDC's Custom Solutions division, delivering consultative support across every stage of the business life cycle: business planning and budgeting, sales and marketing, and performance measurement. In her position, Szurley partners with IDC analyst teams to support deliverables that focus on thought leadership, business value, custom analytics, buyer behavior, and content marketing. These customized deliverables are often derived from primary research and yield content marketing, market models, and customer insights.

More about Megan Szurley

IDC Custom Solutions

IDC Custom Solutions produced this publication. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis that IDC independently conducted and published, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. This IDC material is licensed for external use and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.

IDC Research, Inc.
140 Kendrick Street, Building B, Needham, MA 02494, USA
T +1 508 872 8200

idc.com @idc @idc

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives.