

EXCERPT

Panaya Inc.

**2009 SAP® Upgrade
Benchmark Survey**

**Survey Results and
Executive Summary**

Note: This is an authorized excerpt from the full 2009 SAP Upgrade Benchmark Survey:

To download the entire survey, visit:

<http://www.panayainc.com/sap-upgrade-survey.html?src=701200000002NUM>

For questions and additional information

e-mail sales@panayainc.com or visit www.panayainc.com

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Executive Summary

Upgrading the SAP system is a major undertaking for companies that run their business on SAP. Not only is the upgrade project intensive on resources, it is also a source of risk. Any system errors introduced during the upgrade progress could be severely disruptive to the company's operations.

This benchmark survey was conducted by Panaya to help companies that are planning an SAP upgrade validate their planning assumptions and compare them to those of other organizations.

Survey results are based on 152 responses collected from European and North-American SAP customers and system integrators through a standardized online questionnaire during December of 2008. ¹

Some of survey's key findings include:

- The primary reasons cited for the upgrade are **end of maintenance** (58%), followed by **functional requirements** (37%) and **improving usability** (28%).
- The average overall project duration for an organization with less than 100 users is 26 weeks, while the average duration for an organization with over 10,000 users is 63 weeks.
- The top three upgrade challenges are **estimating the upgrade project cost/effort** (40%), following by **justifying the project budget** (36%) and **assessing the impact on existing solutions** (31%).
- Most upgrade projects remain on schedule for 2009 despite the economic downturn. Overall, **three out of every four projects remain on schedule, and only 11% are being delayed beyond 2009.**

About Panaya

Panaya provides revolutionary Software as a Service (SaaS) for SAP Upgrades. Using Panaya's patented supercomputer technology, SAP professionals can negotiate version upgrades with minimal risk and cost.

After a 20 minutes setup, Panaya's SAP Upgrade Simulation will:

- Show which custom programs will break as a result of an upgrade.
- Explain exactly how to fix them.
- Create the most efficient test plan.
- Calculate the required budget the resources for the project.

To learn more, or apply for a **free upgrade evaluation** click here:

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Respondent Demographics

The survey was completed by representatives of 134 companies that are **either currently upgrading their systems or have plans for a future upgrade.**

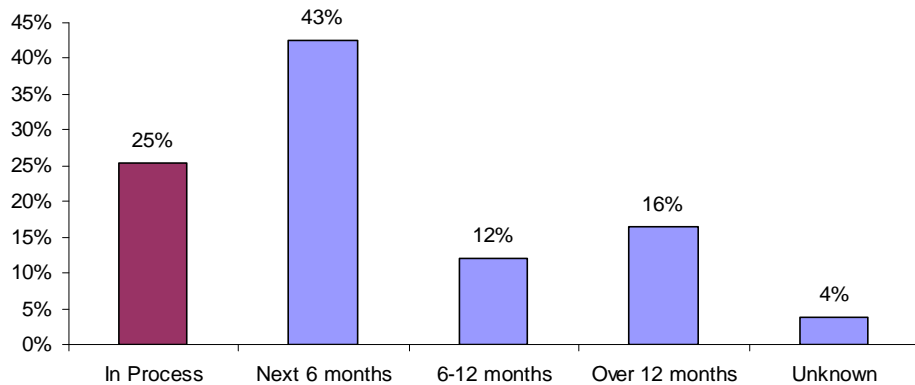


Figure 1: Upgrade Planned Project Start

The vast majority (73%) of the survey respondents come from companies that are **SAP customers and run their own business on the SAP system.** The remaining 27% represent SAP-partner organizations that help other companies with their upgrade projects.

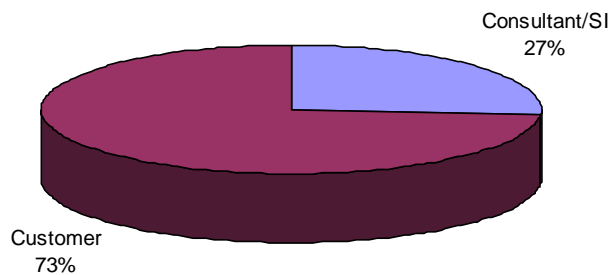


Figure 2: Respondents Relationship to SAP

Approximately two thirds of the respondents are from **Europe**, with the remainder representing **North American** companies.

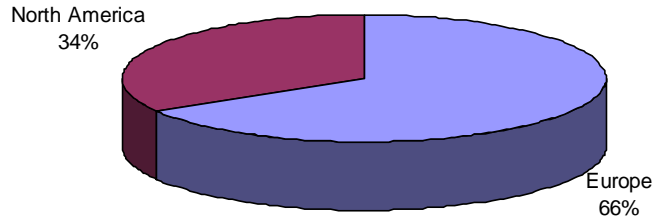


Figure 3: Respondents by Region

Customer organizations responding to the survey come from a variety of industries, with a particularly strong representation of the manufacturing sector.

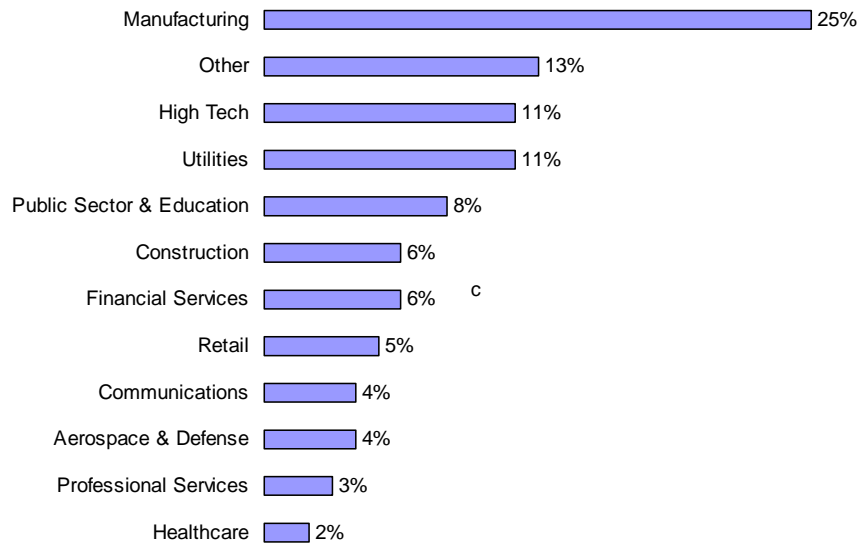


Figure 4: Responding Customers by Industry

Close to half of the responding customers come from smaller companies (revenues of less than one billion US dollars). 25% represent midsize companies (\$1-5B in revenues), while 33% represent large companies (revenues over 5 billion dollar).

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Company Size (2007 Revenues in \$US)

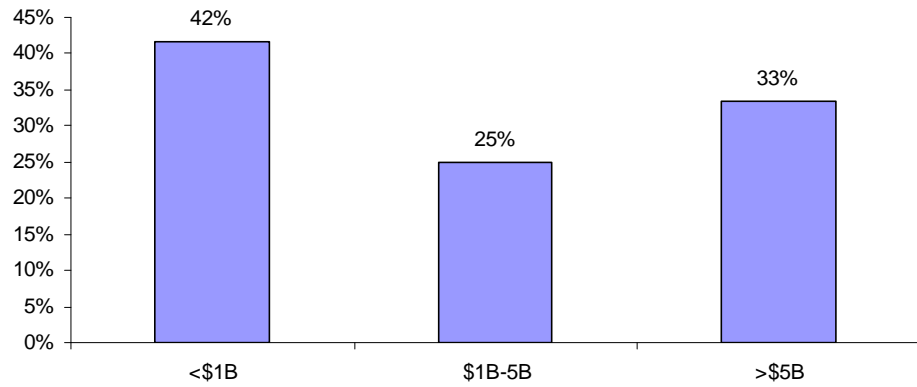


Figure 5: Responding Customers by Company Size

SAP System Sizing

Over half of the responding customer organizations operate **more than one SAP production system**, with some organizations operating over fifty systems.

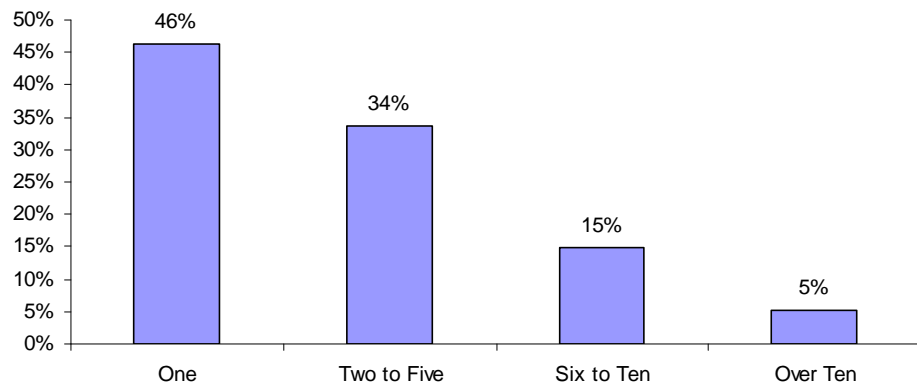


Figure 6: Number of SAP Production Systems (Customer Organizations)

Close to half of the responding customer organizations (48%) have **over 1,000 production users**, with 14% reporting over 10,000 users and the largest organization with 200,000 users.

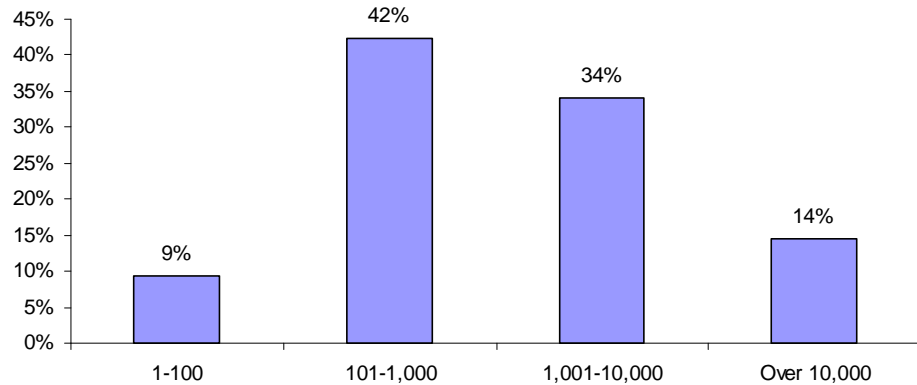


Figure 7: Number of SAP Production Users (Customer Organizations)

SAP System Characteristics

The vast majority of the respondents are currently using either **version 4.6 or 4.7**.

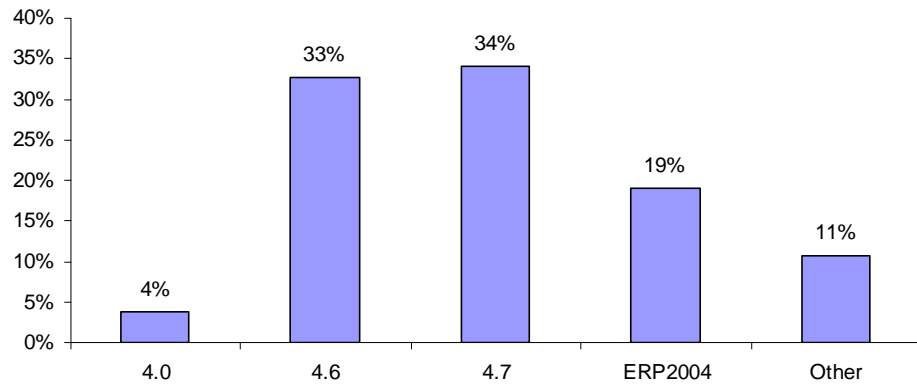


Figure 8: Current Version

The modules most commonly used by survey respondents are **FI** (96%) and **CO** (90%). Least used modules are PS (35%), QM (34%), and LE (29%).

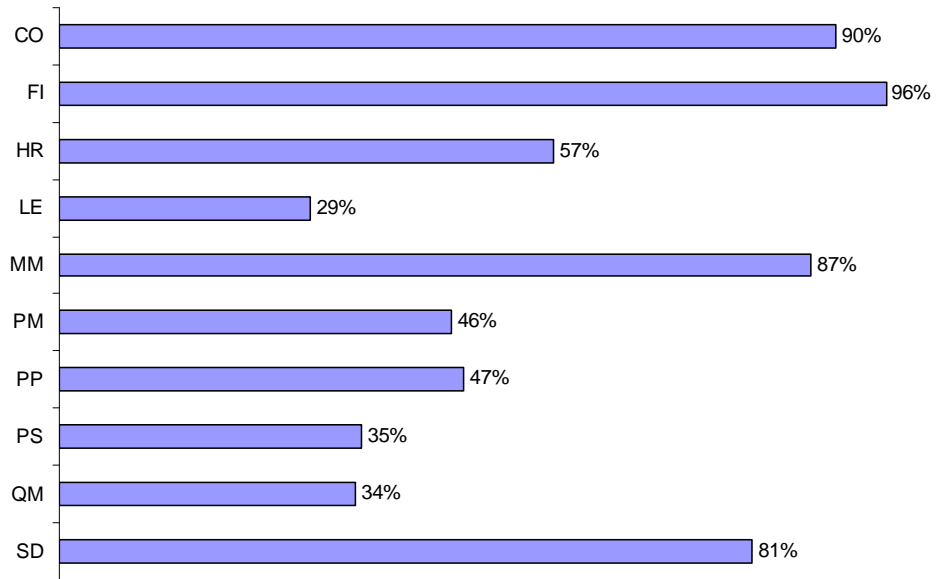


Figure 9: Number of SAP Production Users (Customer Organizations)

Just over half (51%) of the respondents use **SAP Netweaver Components**. Among those that use the Netweaver Components, **BW/BI** is the most commonly used (60%).

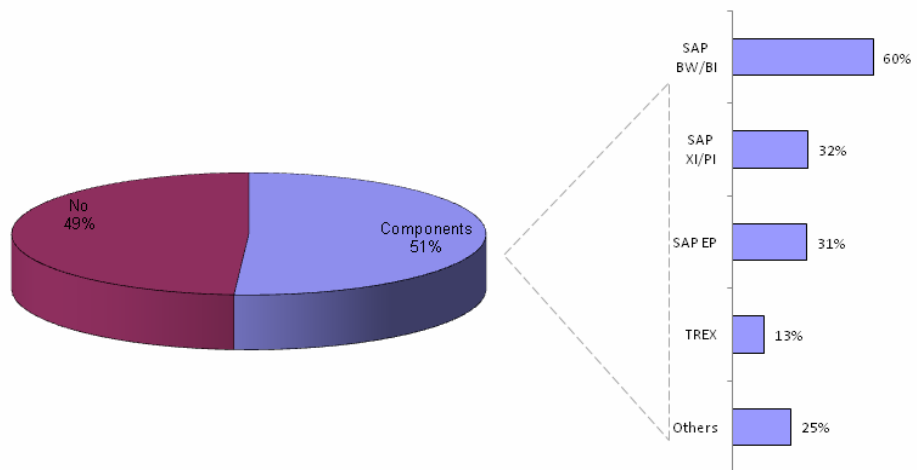


Figure 10: Components Used (% of those using components)

Over 39% of the respondents are using SAP industry solutions.

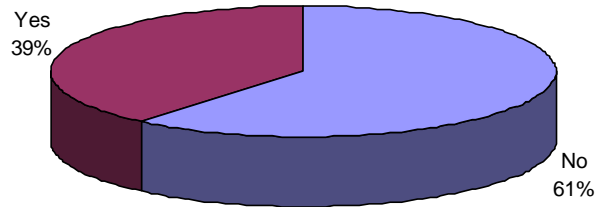


Figure 11: Use of Industry Solutions

Almost every organization (96%) has **at least one interface from SAP to another system**. 55% of the organizations have more than ten interfaces, 32% are using over fifty interfaces, and 21% have over 100 different interfaces.

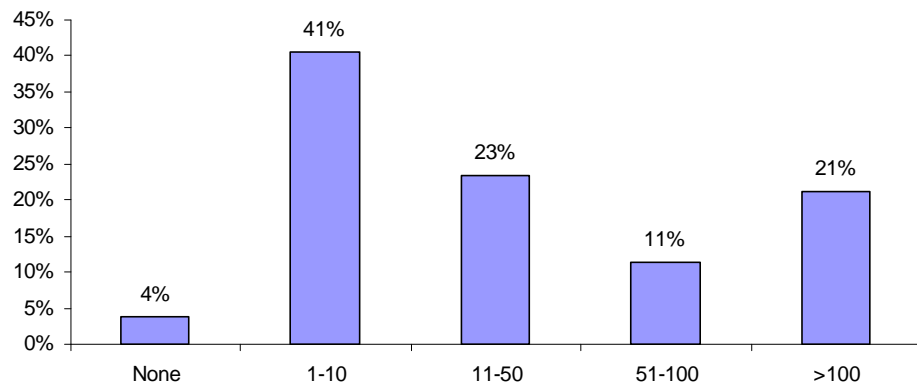


Figure 12: Number of Interfaces to Other Systems

Upgrade Goals

The primary reasons cited for the upgrade project are **End of Maintenance** (58%), followed by **Functional Requirements** (37%) and **Improving Usability** (28%).

Top 3 Reasons for Upgrade

1. End of Maintenance
2. Functional Requirements
3. Improve Usability

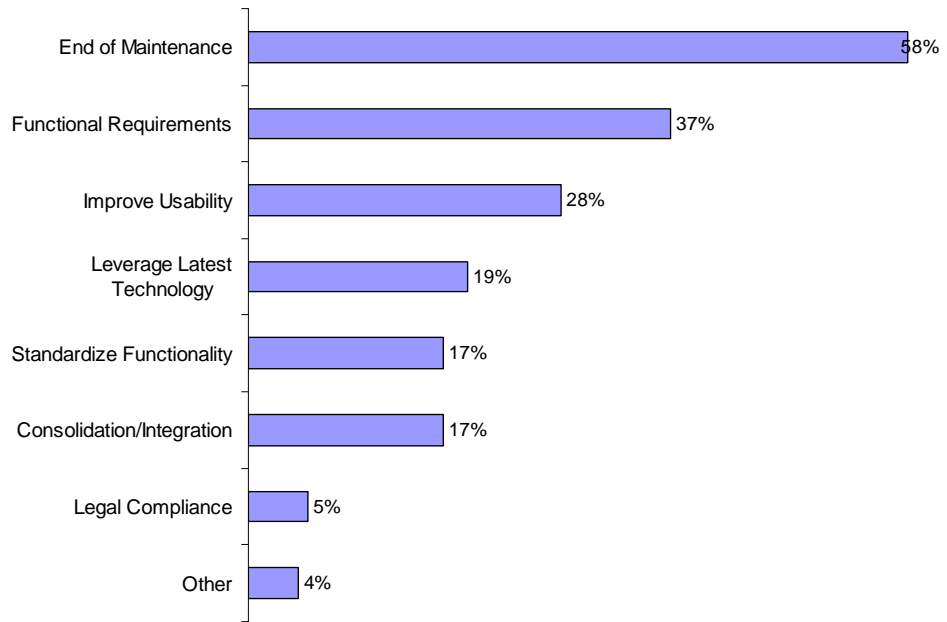


Figure 13: Reasons for Upgrade (Top Two Selected)

Given that the majority of organizations are upgrading due to end of maintenance, it is not surprising to see that most (69%) are starting out with a **Technical Upgrade**. It is important to note that the **majority of organizations (73%) do plan on functional or strategic enhancement as part of the upgrade project, but most of them plan on doing it as a second phase following the technical upgrade.** ⁱⁱ

Get The Full 2009 SAP Upgrade Survey Today.

With 15 pages of factual information, more than 20 charts, and over 100 metrics, this report is a must-have resource for any company that is using SAP solutions. The Full 2009 SAP Upgrade Survey includes answers to key question such as:

- **How long should an ERP 6.0 upgrade take?**
- **What are the biggest challenges and most time consuming tasks?**
- **To what degree should partners be used?**
- **Who are the most commonly used partners?**

Download the entire survey at:

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