RISE with SAP: A strategic playbook for enterprise transformation

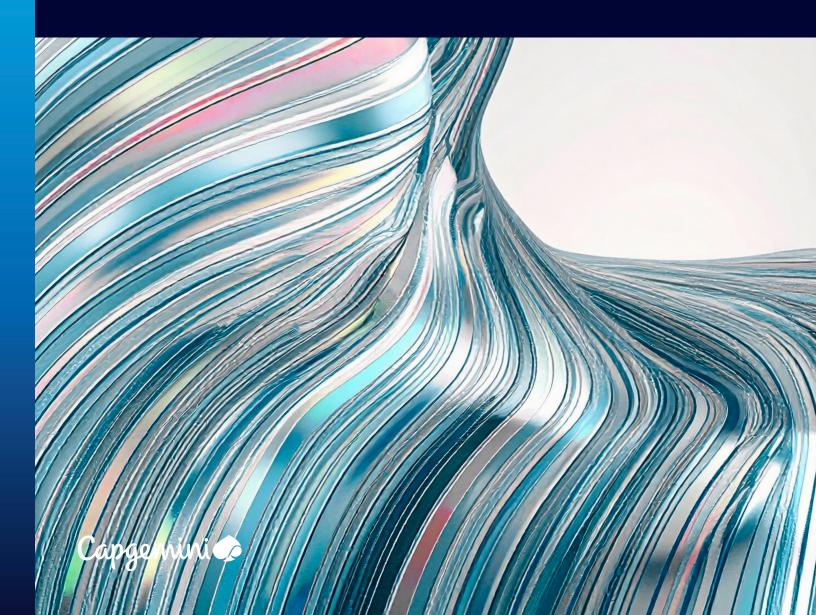


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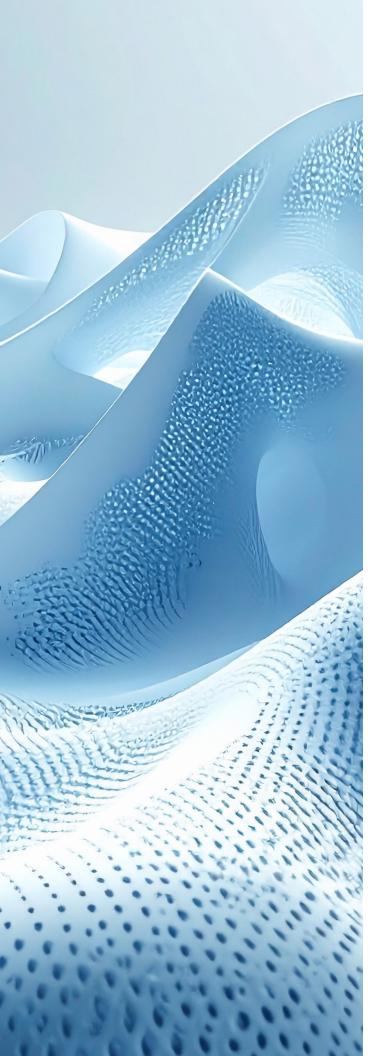
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Executive summary

The complexity of today's value chain spans supply chain shocks, data fragmentation, and environmental, social, and governance accountability – and that calls for a structural shift in how transformation is conceived, governed, and executed.

In this context, <u>RISE with SAP</u> is a journey from on-premises cloud but it is also a strategic framework that enables business transformation from the inside out. It equips organizations to unite their AI, data, applications, and platforms. Consolidation inspires a modern digital core, reduces IT complexity, and establishes a culture of continuous innovation while embedding resilience, agility, and sustainability throughout the operating model.

However, transformation is never one-size-fits-all. It requires aligning strategic intent with execution models, building a clean ERP core, ensuring data governance by design, and driving adoption across business units.

Organizations should unlock tangible outcomes across four CxO priorities: securing digital transformation success, reducing IT debt, enabling growth agility, and becoming truly data driven. Cappemini combines program governance, clean core and data foundations, innovation enablers, and deep industry insight and adoption to deliver value at every step.

Securing transformation success

Large-scale digital transformations are central to modernizing operations and gaining a competitive edge. However, these initiatives often struggle to stay on track, whether due to scope inflation, misalignment with business objectives, or overlooked complexities.

Failing to deliver on transformation promises can erode both organizational trust and strategic momentum. There are four key challenges for CxOs.

1. Achieving program ambitions

Transformation programs may deliver below expectations, leaving value on the table. Ambitious outcomes require clear objectives, continuous alignment with business needs, and the ability to course correct during execution.

2. Adhering to program plans

Digital transformation programs often face delays

due to scope creep, technical misalignment, or changing business priorities. This erodes trust in leadership and adds to economic pressure.

3. Maximizing investments

CxOs must ensure that each investment yields maximum strategic benefit. Repeated cost overruns can overshadow potential returns, fueling skepticism about large-scale transformation efforts. Achieving return on investment requires transparent governance, a robust performance framework, and clear linkage between expenditures and tangible business outcomes.

4. Underestimating long-term change

Many programs overlook the sustained effort required to embed change, leading to skill gaps, resistance, and adoption fatigue over time.

CxOs must then embed three pillars into their transformation programs.

Outcome-oriented governance

Define KPIs tied to business performance, ensure accountability at the right level through tailored governance, and track value realization rigorously.

Agile execution models

Combine long-term program vision with iterative value delivery to adapt quickly to changing demands.

Resource optimization

Use cloud-based solutions and automation to keep costs predictable while scaling operations.

When implemented by Capgemini, RISE with SAP delivers enhanced business transformation outcomes, using our deep industry expertise and proven methodologies.

By leveraging the powerful AI, cloud-based scalability, and resilient business applications available through SAP Business Suite, RISE with SAP minimizes operational risks and enhances program governance with clear accountability and measurable outcomes, ensuring organizations maintain alignment with best practices and remain agile for future innovations.

This approach allows CxOs to execute with confidence, delivering ambitious transformation goals while maintaining control over scope, costs, and timelines.

Escaping the IT debt trap

Technological debt is a silent inhibitor of business agility and innovation. As legacy systems age, maintenance costs escalate, architecture becomes brittle, and integration grows more complex. Security vulnerabilities increase and teams spend more time sustaining the past than building the future.

For CxOs, the challenge is this: how do you reverse the cost-value imbalance of IT by modernizing legacy landscapes and freeing up capacity for innovation?

Without a clear strategy, IT remains trapped in a reactive mode, holding back enterprise agility and consuming budget that could otherwise fuel strategic growth. This is often because maintenance costs escalate as systems age, outdated systems open the company to security risks, and rigid legacy architectures block agility.

How RISE with SAP, powered by Capgemini, delivers measurable outcomes

When implemented by Capgemini, RISE with SAP delivers enhanced business transformation outcomes, leveraging our deep industry expertise and proven methodologies.

Automation and Al

Augmenting routine IT tasks with agentic AI and generative AI enables intelligent agents that can autonomously perform complex tasks across systems, reducing manual effort and enabling more efficient use of funds. Instead of budget being consumed by legacy operations, investments are redirected toward valuegenerating initiatives that enhance competitiveness.

Debt reduction

RISE with SAP equips businesses with tools and strategies to confront technological debt at its root, cutting unsustainable maintenance costs while unleashing new growth avenues. Through clean-core ERP, organizations can replace rigid legacy systems with a modular cloud architecture that not only lowers overhead but also accelerates adaptability.

Clean core

SAP's Clean Core monitoring tool enforces modern architectural principles by tracking five key dimensions: process, data, extensibility, integration, and operational excellence. This keeps complexity in check and fosters continuous innovation.

Ensuring agility for long-term growth

Today's solutions must evolve with tomorrow's needs. Obsolescence risks are high in an environment where business dynamics, market conditions, and technological advancements change rapidly.

Agility is essential to support business growth, and there are four challenges in this area.

1. Future-proofing solutions

Solutions implemented today must not lock businesses into rigid architectures that cannot scale or evolve.

2. Balancing stability and flexibility

While operational stability remains critical, flexibility to innovate must be embedded into the system's design.

3. Enabling business growth

Systems must be agile enough to support changing business models, mergers and acquisitions, or market expansion.

4. Failing to embed a culture of adaptability

Without a mindset aligned with continuous learning and experimentation, organizations risk stagnation even with agile systems in place.

RISE with SAP speeds cloud transformation

Adopting RISE with SAP allows businesses to accelerate cloud ERP transformation while separating core functionality from modular innovations via SAP BTP.

API-driven ecosystems

Modern architectures rely on APIs and integrations to enhance agility and extend functionalities without disrupting core processes.

The API-driven ecosystem at the heart of SAP ensures seamless integration across distinct functions, facilitating rapid adaptation to new business models, mergers, or acquisitions.

Cloud-native innovation

Cloud-native innovation supported by hyperscalers allows organizations to scale operations, adopt emerging technologies, and ensure flexibility to address unforeseen challenges.

RISE with SAP provides the framework for agile systems, ensuring businesses remain adaptable. With composable ERP architecture on a Cloud ERP Private Package, RISE separates core ERP stability from modular innovations through SAP's BTP, enabling organizations to scale and innovate without disrupting critical processes.

Capturing the full value of agility requires more than just technology. Without a proactive approach to change management encompassing training, role evolution, and adoption, even the most advanced architectures risk low adoption and slowed innovation.

Together, these capabilities empower CxOs to balance stability and innovation, delivering systems that meet today's needs and evolve with market dynamics and technological advancements.

Scaling as a data-driven company

Data is the cornerstone of strategic leadership. When decisions are grounded in verifiable, high-quality data, they drive better outcomes and bolster leadership credibility.

Beyond operational improvements, data is becoming a critical lever for risk management and regulatory compliance. Whether aligning with ESG reporting standards or navigating financial regulations, reliable data reduces exposure to legal risks and enhances governance.

The rise of AI and gen AI solutions has elevated the role of data even further. These technologies rely on robust, clean, and comprehensive datasets to forecast demand, personalize customer experiences, and detect inefficiencies and automate complex processes.

Data also represents a new frontier for value creation through data monetization. By leveraging data-sharing ecosystems, organizations can generate new revenue streams, foster innovation, and create competitive advantages. This shifts data from a passive resource to an active driver of business growth.

Despite recognizing data's strategic importance, many enterprises struggle with:

- Inconsistent data quality. Outdated or duplicated information undermines decision-making and slows adoption of advanced analytics.
- **Siloed architectures.** Legacy systems store data in disconnected repositories, preventing real-time visibility across departments.
- **Weak governance.** Without systematic governance, AI or Gen AI initiatives may yield inaccurate results or complicate compliance efforts, potentially leading to significant consequences.

These issues not only dilute the impact of digital transformation but also jeopardize high-stakes decisions that rely on timely, accurate data.

RISE with SAP: Building data foundations through a clean core transformation

To understand how clean core contributes to becoming a data-driven company and how the RISE with SAP framework helps to make it happen, it is essential to explore three key pillars that highlight its impact on data management and business agility.

Enhancing data consistency and quality

Clean core eliminates unnecessary customizations and enforces standardized data models. This ensures consistent, accurate, and reliable data across all business units: a fundamental prerequisite for advanced analytics, AI models, and regulatory compliance.

Activating composable ERP for business agility

By fostering data consistency, clean core enables a modular API-driven ERP architecture. This composable structure allows seamless integration of analytics tools, AI models, and automation solutions, giving businesses the flexibility to innovate and adapt to evolving market demands without compromising data integrity.

Continuous monitoring with RISE

RISE with SAP includes the Clean Core Assessment Tool which continuously monitors and evaluates data management practices across five key dimensions – process integrity, data quality, extensibility, integration, and operational excellence – to ensure a durable data management framework and high standards of data governance.

Capgemini's guiding principles for building data-driven foundations

Adopt a federated governance model. Establish federated governance by empowering business units to manage their own data based on local operational needs while aligning with overarching corporate standards.

Key benefits: Allow units to quickly respond to market demands, while ensuring data consistency and compliance across the organization.

Ensure end-to-end data flows. Design and implement seamless data flows across all departments and systems, enabling real-time insights and eliminating data silos.

Key benefits: Promote better decision-making and operational efficiency.

Implement a data fabrics ecosystem. Create a unified architecture that connects diverse data sources on-premises and in the cloud.

Key benefits: Consistent governance, easy data access, and the ability to leverage data across various business functions.

Advanced data architecture maturity. Continuously evolve data models and integration strategies to match business growth and technological advancements.

Key benefits: Scalability, resilience, and adaptability in data architecture to support long-term transformation goals.

Integrate SAP Tools and Syniti. SAP Clean Core monitoring tools provide continuous oversight on data quality, ensuring long-term accuracy and reliability across key dimensions like process integrity and system extensibility. The <u>Syniti Knowledge Platform</u> complements this by ensuring data is clean, consistent, and governance-ready before integration.

Key benefits: Enables proactive data quality management and supports strategic decision-making with reliable, well-governed data.

Unlocking value with AI and gen AI

High-quality data is the cornerstone of any successful AI or gen AI initiative. A clean core approach enhances AI's impact by:

- Providing structured and reliable datasets that minimize bias and improve the accuracy of Al-driven forecasting, automation, and decision-making
- Ensuring interoperability across systems by allowing AI models to pull insights from a unified data foundation rather than fragmented silos
- Enhancing gen AI capabilities by feeding models with consistent, enriched data, enabling them to generate reliable outputs across the value chain.

For example, in a manufacturing setting, AI-driven quality control systems rely on real-time, standardized production data. A clean core ensures that these AI models continuously receive accurate inputs, allowing them to detect defects faster and optimize production processes efficiently.

Mitigating risks and ensuring compliance

Regulatory requirements are evolving rapidly, making data governance a non-negotiable priority. A clean core helps mitigate these risks by:

- Establishing robust data governance frameworks, ensuring compliance with evolving regulations
- Providing a single source of truth, making it easier to track and validate ESG metrics for reporting
- Reducing manual intervention in compliance processes, minimizing human errors and inefficiencies.

With a clean-core approach, organizations establish a resilient, future-proof data foundation that supports AI-driven innovation while ensuring compliance with evolving regulatory landscapes.



Building a data-driven future with RISE

With RISE and the transformation journey to clean core, organizations gain the agility, quality, and governance needed to maximize AI investments, drive continuous business innovation, and ensure long-term competitive advantage.

Cloud and managed services. While cloud benefits are often considered the most obvious aspect of RISE, they are foundational rather than the ultimate value driver, with benefits like:

- A subscription model that eliminates upfront CAPEX, offering financial flexibility and total cost of ownership predictability
- Cloud-based infrastructure that helps scale IT capabilities dynamically, supporting activities such as M&A or responding to sudden market demands
- With built-in cybersecurity features and robust SLAs, RISE ensures operational resilience, protecting both IT systems and business continuity.

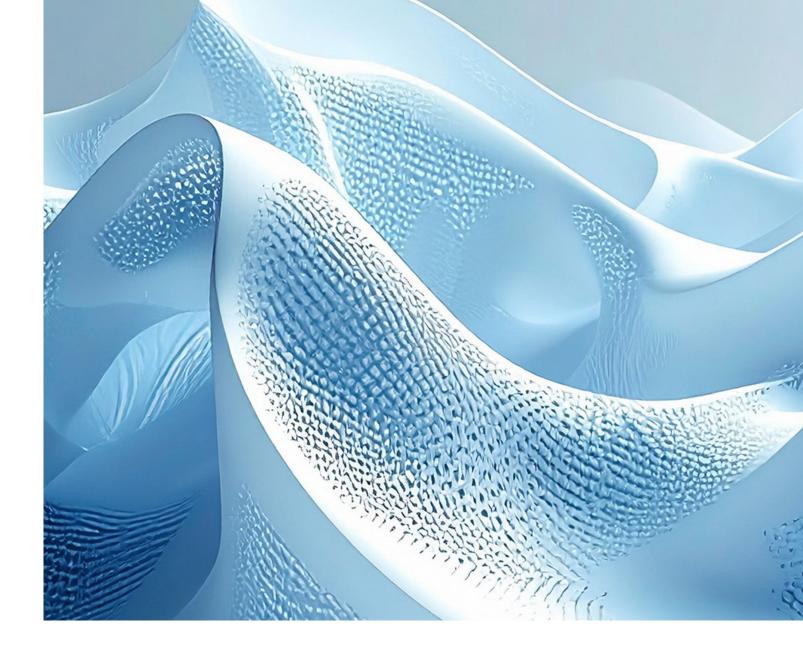
Gen AI and AI capabilities. SAP Business AI and AI-powered agents, including SAP Joule, enhance decision-making, streamline operations, and improve overall efficiency. SAP Joule is an advanced generative AI "copilot" embedded across SAP Business Suite designed to deliver context-aware business insights and automate routine tasks. For developers and program managers, Joule facilitates seamless AI integration into existing processes, shortens development cycles, and ensures consistency across applications while leveraging SAP BTP for robust security and compliance.

Managing carbon emissions. SAP Green Ledger is designed to embed carbon accounting into core operational processes. This ensures realtime visibility into sustainability performance and compliance with emerging carbon accounting standards. SAP Sustainability Footprint Management enables organizations to calculate and manage their environmental impact across the entire value chain by integrating product and process-level emissions data.

Holistic ESG management. SAP Sustainability Control Tower helps organizations track and analyze sustainability metrics, compliance obligations, and performance benchmarks. The platform facilitates automated ESG reporting to meet global standards such as the Corporate Sustainability Reporting Directive (CSRD) and the Global Reporting Initiative (GRI).

Composable architecture. A successful transformation journey is embodied in composable architecture, a framework that bridges the gap between rigid legacy systems and agile, business-responsive solutions.

Composable architecture empowers organizations to align technology with ever-evolving business demands. Through modular design, applications are decoupled from the ERP core, enabling innovation without disrupting essential operations. API-driven ecosystems facilitate seamless integration across platforms, ensuring real-time data flow and enterprise-wide collaboration. This modularity and integration enable rapid adaptability, allowing businesses to quickly respond to shifting market conditions.



Achieve your RISE with SAP transformation with Capgemini

Transformation is a holistic process requiring more than isolated technological upgrades or compliance checklists – it demands a fundamental rethinking of how businesses operate. RISE with SAP provides a comprehensive framework to guide this transformation, offering strategic capabilities to navigate complexity, reduce technical debt, and unlock new avenues for growth.

Transformation is an ongoing journey, requiring a commitment to continuous improvement, adaptability to evolving challenges, and a culture that embraces change as an opportunity rather than a threat.

As a RISE with SAP validated partner, Capgemini brings a robust methodology, deep expertise in data governance through Syniti, and a commitment to delivering measurable business outcomes.

By integrating clean-core principles and composable ERP architectures, Capgemini ensures that organizations can achieve sustainable transformation, balancing the need for agility with operational stability.

The future belongs to those who are ready to transform, adapt, and innovate continuously. Cappemini can help you build an enterprise that is resilient, agile, and prepared for the challenges and opportunities ahead.

About Capgemini

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, generative AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2024 global revenues of €22.1 billion.

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