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SAP S/4HANA Live Customer Numbers Continue to Grow

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SAP is all-in on its newest ERP iteration, SAP S/4HANA, and the product has now taken hold of a significant number of customers as it grows. The latest numbers from SAP's 2017 financial results include 7,900 customers who have purchased SAP

S/4HANA licenses or subscriptions, up from the last reported numbers of around 6,000 at SAP TechEd.

Bill McDermott, SAP CEO, called out several SAP S/4HANA reference customers during his calls with financial analysts this week. The Emirates Group is implementing SAP S/4HANA with plans to extend it with SAP Cloud Platform, while Unilever, Philips 66, and Puma have bought into SAP's "digital core" pitch. That's SAP S/4HANA as the ERP system surrounded by cloud properties SAP Ariba for procurement, SAP SuccessFactors for human resources, and SAP Concur for travel and expenses.

While the sales numbers are interesting, the number of customers using SAP S/4HANA to run their businesses is even more important. SAP reported that the number of customers live on SAP S/4HANA topped 1,000 in the fall and now says there are nearly 1,500 companies that have implemented the new ERP system.

Concerns About SAP S/4HANA Qualified Partners

Still, that's at best 19% of customers who have purchased the software and are actually using it. It's probably too early to throw the "shelfware" title around, though, because SAP S/4HANA is just over three years old. Any ERP implementation is going to take a while, and it could be difficult to find trusted, experienced system integrators with such a new product. As independent enterprise software [analyst Josh Greenbaum notes](#), SAP S/4HANA deals are signed in advance, perhaps attached to a product for which a company has a more pressing need. He also points to the dearth of qualified partners, as well as questions around SAP indirect licensing as reasons for the gap between SAP S/4HANA licenses and implementations.

Considering that SAP S/4HANA go-lives jumped 50% in the last quarter of 2017, SAP does expect there be to a significant uptick of live customers that use SAP S/4HANA in 2018.

What About S/4HANA Cloud?

SAP S/4HANA in the public cloud (called SAP S/4HANA Cloud) was a little late to the party in terms of marketing and sales. It launched with on-premise and private cloud options originally, but wasn't robust enough to appeal to many customers. SAP relaunched it early last year, giving it a dedicated team and targeting the mid-market.

That emphasis led to "triple-digit growth" in 2017, according to McDermott. That's an impressive sounding statistic, but there was a lot of room to grow for SAP S/4HANA Cloud—its total customer numbers were in the single digits as of mid-2016. SAP hasn't released exact numbers on SAP S/4HANA Cloud since its relaunch.

Cirque du Soleil has picked SAP S/4HANA Cloud, according to SAP cloud business chief Rob Enslin. The Montreal-based entertainment company has been a common SAP cloud reference customer, popping up at [SAP Ariba Live in 2015](#) touting its use of SAP Ariba, SAP Concur, and SAP Fieldglass (and also providing the pre-keynote entertainment).

With growth happening in all areas of SAP S/4HANA, the newness of the ERP system has worn off for many customers. By the end of 2018, SAP should be able to produce plenty of references and use cases to give customers enough information to decide on SAP S/4HANA. It will be imperative for SAP and its partners to be ready to implement for customers who choose that path. For ASUG's part, we will work find and tell those SAP S/4HANA stories for [our members](#) to learn from.