White Paper

Game Changer: The Transformative Impact of Training

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October 2020

EXECUTIVE SUMMARY

How Training Maximizes the Business Value of Software

In a recent global study, 1,000 SAP customers from small to large businesses responded to online questions relating to training before deployment and after implementation. This analysis demonstrated the importance of training in maximizing an organization's SAP investment and highlights the breadth and magnitude of the benefits organizations receive from having well-trained staff who deploy, maintain, and use enterprise technology in their day-to-day jobs. It includes suggestions for best practices related to the amount of training given to implementation teams, administrators, and end users to maximize the benefits organizations receive from their enterprise applications.

The research captured customer metrics and statistics that showed the impact of training on implementations and software adoption of various solutions within the SAP portfolio. The research specifically targeted procurement (SAP Ariba solutions); sales, marketing, commerce, customer data, and service (SAP Customer Experience solutions); ERP (SAP S/4HANA); HR (SAP SuccessFactors solutions); and SAP Analytics Cloud.

Our study showed that training is a critically important factor contributing to the success of SAP deployments. In fact, we discovered that when organizations provided 10% more ongoing training, they *doubled* the improvement in key business value drivers associated with the implementation. Specific business benefits that organizations realized when they provided enough training to end users, administrators, and implementation teams included:

> **When organizations provided 10% more ongoing training, they doubled the improvement in key business value drivers.**

- **Improved business performance.** On average, organizations saw a 24% improvement in their key business performance measures after implementing SAP solutions. But organizations with more end-user training more than doubled their improvement, with an average improvement of more than 51%.

- **Shorter deployment time.** Organizations with well-trained implementation teams — those that provided more than 50 hours of initial implementation team training — saved almost a month of deployment time, and those that provided 45 hours of initial administrator training saved almost two months.

- **Increased satisfaction with the deployed solution.** Organizations with well-trained end users, administrators, and implementation teams were about 72% more likely to be highly satisfied with their deployment of SAP solutions.

- **Accelerated software expansion and innovation.** Not only were well-trained organizations able to deploy SAP applications faster, but they also enjoyed broader and faster deployments across their organization. IDC found a number of SAP solutions in which organizations with well-trained implementation teams had double-digit increases in the number of licenses deployed over a 24-month span than the average organizations in the sample, and by implication, teams that have wider deployment of the latest tools and technologies have a better foundation to enjoy greater levels of innovation.

Greater span of deployments gives organizations improved visibility into their businesses and provides greater business agility. Imparting greater skills to implementation teams reduces rework, minimizes implementation risk, and allows the organization to maximize the value of its investment. Better use of the tools at their disposal provides employees a better experience and enables them to be more innovative. Greater control of the systems that drive the business allows administrators to be more productive.

This paper also discovered that both initial (prelaunch) training and continuous learning matter. Training implementation teams, administrators, and end users before the solution is implemented and deployed helps jump-start performance and ensures maximum success of the deployment. Ongoing training allows organizations to leverage the software more completely and keep pace with technology advancements.

BACKGROUND

Our goal for this paper was to test whether technical and end-user training improves business performance with SAP solutions. We also wanted to understand the best practices that organizations could employ to maximize the business value of their SAP solutions.

To understand the answer, we examined respondents' performance against key performance indicators (KPIs), business drivers, or value drivers. KPIs are specific business or operational measures that organizations expect will change when their business processes improve. The KPIs include a wide range of business improvement objectives and vary by specific solution and module. For example:

- In the SAP Ariba Contract Management solution, value drivers include:
  - Increasing tiered discounts received
  - Reducing duplicate contracts across business units or regions
- In the SAP Customer Experience Sales solution, value drivers include:
  - Reducing sales order error rate
  - Reducing sales and marketing cost
- In the SAP S/4HANA Finance solution, value drivers include:
  - Reducing audit costs
  - Cash forecast error rate
- In the SAP SuccessFactors Experience Management solution, value drivers include:
  - Reducing turnover
  - Increasing employee performance

Organizations have their own priorities and often target the improvement of one set of drivers over others. When installing SAP solutions, the drivers aren't just the low-hanging fruit, they are the operational imperatives that organizations believe will help them succeed.

This paper found that organizations that had recently implemented SAP saw performance gains across many key performance indicators. The benefits varied by solution and performance measure but ranged from about 20% improvement of KPIs impacted by SAP SuccessFactors to more than 80% improvement for SAP S/4HANA.

These gains are quite impressive, but not every organization has the same improvement. This might lead you to ask: Why do some organizations gain a lot and others gain less? In particular, Do organizations that provide greater levels of training experience greater value driver improvement from their SAP solutions?

Further, you might want to understand the impact of providing initial training prelaunch, during the implementation phase, compared with providing ongoing annual training to keep people's skills fresh. In this paper, we refer to these as "initial training," and "ongoing training," and examine their impact on KPIs associated with SAP deployments.

METHODOLOGY

We conducted a web-based survey of 1,020 SAP clients responsible for implementation and usage of more than 2,600 modules in the past two years from 16 countries across North America, Latin America, EMEA, MEE, APJ, and Greater China. Approximately 40% of respondents were directors or above in their organizations and more than 55% were managers or supervisors. All respondents had knowledge of the business goals and results impacted by the installed SAP solutions and had knowledge of or visibility into the training and skills of the administrators, implementation teams, and end users.

Not all business measures were equally important to all organizations; therefore, we focused on benefits that were described as important to each specific organization and to each specific solution.

For every solution and every benefit, we segmented the responses into four groups of equal size based on how much improvement the organization observed in its business drivers after implementing its SAP solutions. We labelled those that had the most KPI improvement "leaders," the next tier "performers," then "strivers," and finally the lowest-ranking quartile "laggards." As one would expect, performance increases varied, but overall organizations gained about 20% across the measures that mattered most to business users. Leaders gained about 52% across all measures, and laggards gained about 5% across all measures (see Figure 1).

FIGURE 1

Overall Improvement by Quartile

Q.   For the value drivers you said were important, please indicate a percentage change in performance with training compared with performance before the solution was deployed.
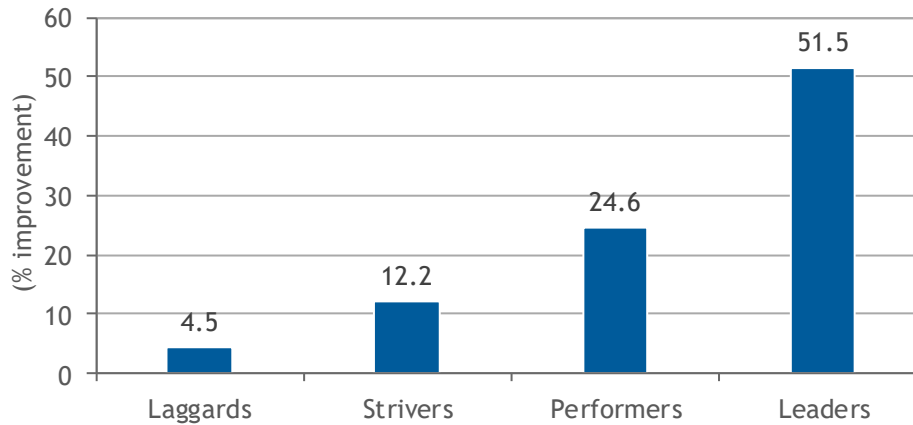
n = 1,020

Source: IDC's *Impact of Training on Enterprise Application Success Survey,* 2020

RESULTS

The first thing we examined is the relationship between amount of training provided and KPI improvement, and we found a very strong correlation. Leaders provided, on average, more than 49 hours of training annually per individual, about 50% more than the 33 hours per year provided by laggards (see Figure 2).

FIGURE 2

Hours of End-User Training by Quartile

Q.   *Please estimate the approximate number of formal hours of training directly related to the job role that each individual received for the SAP solution.*
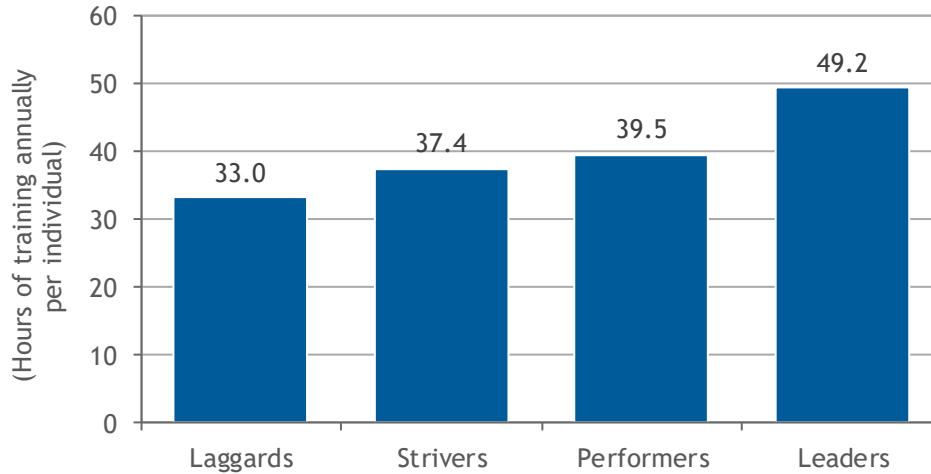
n = 1,020

Source: IDC's *Impact of Training on Enterprise Application Success Survey,* 2020

Initial and Ongoing Training Increases Business Performance and Satisfaction

Providing initial training, both to implementation teams and administrators prior to the deployment and to end users before the system is launched, is essential to success. Initial training helps jump-start performance and helps prepare the organization for a smooth deployment. We found that more initial training is positively correlated with:

- Greater performance improvement
- Faster deployment
- Greater overall satisfaction with the solution
- More rapid expansion of the solution to new users and groups
- More rapid innovation

The benefits of training, and a well-trained organization, don't stop at launch. Ongoing training is important for administrators and end users to continually improve their capability, leverage more of the solution's tools and processes, and get even greater business benefit from their SAP solution investment. We found that ongoing training is positively correlated with:

- Greater performance improvement
- Greater overall satisfaction with the solution

Business Benefit 1: Improved Business Performance

Depending on the SAP solution and respective key performance indicators, organizations providing more end-user training saw 8-17 times more improvement in key performance measures (see Figure 3).

On average, organizations saw 8-17 times more improvement in key performance measures.

FIGURE 3

Performance Improvement: Comparing Leaders and Laggards by Solution
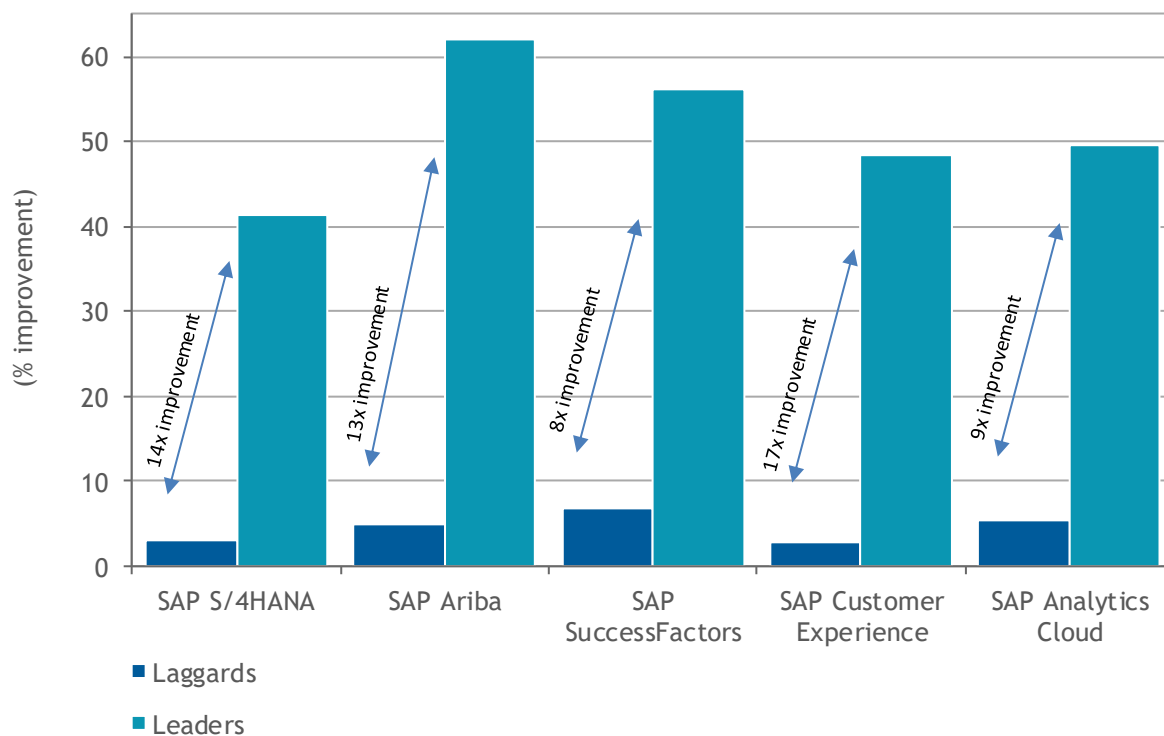
n = 1,020

Source: IDC's *Impact of Training on Enterprise Application Success Survey,* 2020

Across solutions and key performance indicators, the magnitude of the benefits organizations received from having well-trained end users was impressive. Leaders provided more training in terms of both initial and ongoing training. What may be more impressive was that the improvement wasn't observable just between the leaders and laggards, whereas organizations in every performance

category saw improvement from more ongoing end-user training. In fact, for every 10% more ongoing training, organizations *gained about twice the improvement* in their key value drivers. For instance:

- After installing SAP S/4HANA, leaders gained about 41% improvement across KPIs and provided about 54 hours of training to end users compared with an average gain across the entire sample of about 19% with only about 35 hours of training.

- After installing SAP Ariba, leaders gained about 62% improvement across KPIs and provided about 44 hours of training to end users compared with an average gain across the entire sample of about 28% with only about 39 hours of training.

- After installing SAP SuccessFactors, leaders gained about 56% improvement across KPIs while providing end users about 50 hours of training compared with an average gain across the sample of about 27% with only about 44 hours of training.

- After installing SAP Customer Experience, leaders gained about 48% improvement across KPIs while providing end users about 49 hours of training compared with an average gain across the sample of about 21% with only about 43 hours of training.

- After installing SAP Analytics Cloud, leaders gained about 50% improvement across KPIs while providing end users about 49 hours of training compared with an average gain across the sample of about 22% with only about 38 hours of training.

For every 10% more ongoing training, organizations gained about twice the improvement in their key value drivers.

Business Benefit 2: Shorter Deployment Time

Many factors influence deployment of significant enterprise solutions: solutions being implemented simultaneously, organization size, geographic location, configuration of infrastructure, target users, and existing data structure and location, among other factors.

Many of those factors are a given and cannot normally be influenced by the implementation team or the project sponsors; however, training is one variable over which organizations have direct control. When implementation teams are sufficiently trained, they can better document stakeholder requirements, anticipate or overcome obstacles and, generally, better leverage the existing deployment tools and accelerators to reduce the time to deploy new systems regardless of external circumstances that might be slowing their progress.

In fact, in the more than 2,600 deployment projects covered by this paper, leaders had about 50 hours of initial training and those implementations took 15% less time to deploy than implementations conducted by laggards that had less than 20 hours of training. Well-trained administrators saved even more time: Deployments in organizations that provided administrators with more than 45 hours of initial training took about two months less time (see Figure 4). Put another way, organizations saved more than a month in deployment with a little more than a week of additional training.

Deployments in organizations that provided administrators with more than 45 hours of initial training, took about two months less time.

Less time to deploy improves the time to value and helps increase the overall business value of the solution.

FIGURE 4

Deployment Time: Comparing Leaders and Laggards

Q. Approximately how many months did the deployment of the SAP solution take? Please enter the number of months.
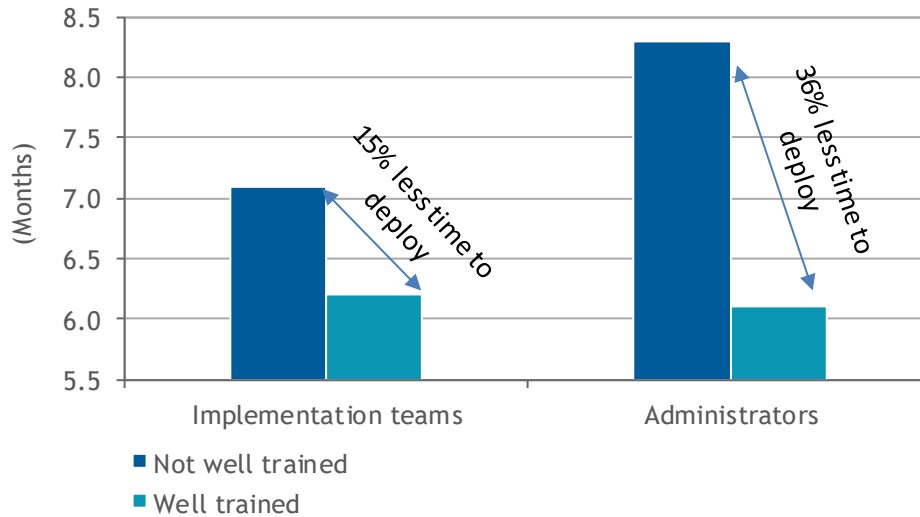
n = 1,020

Source: IDC's *Impact of Training on Enterprise Application Success Survey,* 2020

Business Benefit 3: Increased Satisfaction with SAP Software

Training also impacts organizations' satisfaction with their SAP deployments. When employees were well trained, organizations were 72% more likely to be highly satisfied with their SAP solutions. This relationship between training and solution deployment satisfaction is true of all three employee types covered in our survey: Organizations with well-trained end users are 55% more likely to be highly satisfied, those with well-trained administrators are 83% more likely to be highly satisfied, and those with well-trained implementation teams are 84% more likely to be highly satisfied (see Figure 5).
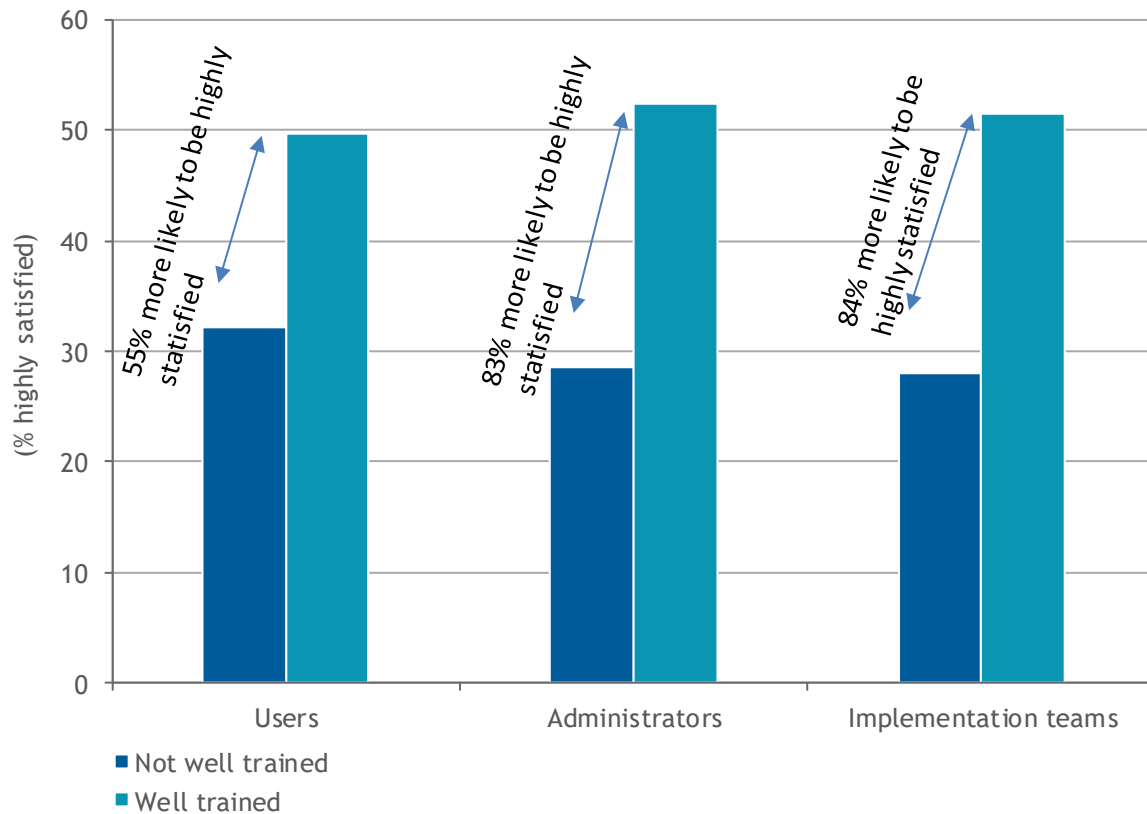
When employees were well trained, organizations were 72% more likely to be satisfied with their SAP solutions.

FIGURE 5

Organization's Overall Satisfaction with Solution Deployment

Q. Overall, how well has the deployment of SAP met your expectations?

n = 1,020

Source: IDC's *Impact of Training on Enterprise Application Success Survey,* 2020

This make sense – when systems run more smoothly and end users get their work done with a minimum of process or system hiccups, satisfaction improves because the solution does what it set out to do:

- Improves business processing
- Reduces human errors
- Generates insights into business drivers and opportunities

Business Benefit 4: Accelerated Solution Expansion and Innovation

Organizations leverage many alternative approaches to deploying SAP solutions – from "all at once" models, where they deploy the solution to all potential users at one time, to a phased approach, where they roll out solutions by geography or business unit on a time-phased schedule. This paper found that for a number of SAP solutions, training had an impact on deployment schedules, wherein organizations with well-trained implementation teams more rapidly expanded their use of SAP solutions.

With greater understanding of the SAP solutions and how they can be applied to address business challenges, implementation teams can better see how the software can solve other business problems and implement them around the organization. They may also be in a position to create a more compelling business case for new deployments. These factors combine to accelerate the expansion of SAP solutions to more parts of the organization, increase the business benefit the SAP solution can provide to the organization, and increase the pace of innovation.

We examined the license growth in organizations that deployed SAP solutions. We found that for many modules, when implementation team members had more training, they experienced greater growth in licenses. For example, when implementation team members were well trained, within 24 months of deployment organizations had:

For SAP S/4HANA:

- 15% more manufacturing licenses
- 12% more asset management licenses

For SAP Ariba:

- 40% more contracts licenses
- 29% more spend analysis licenses
- 45% more sourcing licenses
- 16% more supplier risk licenses

For SAP SuccessFactors:

- 74% more time and attendance management licenses
- 60% more performance and compensation licenses
- 65% more employee experience management licenses

For SAP Customer Experience:

- 54% more marketing licenses
- 27% more service licenses
- 67% more sales commission licenses

For SAP Analytics Cloud:

- 10% more planning licenses
- 34% more augmented analytics licenses

Best Practice: Provide Sufficient Initial and Ongoing Training to Users, Administrators, and Implementation Teams

The bottom line coming out of this paper is that the amount of training you provide matters and that you should provide adequate amounts of both initial training when you roll out SAP deployments and ongoing, annual training. This is true for all three employee types in our study: end users, administrators, and implementation teams.

To achieve the largest gains in business performance KPIs, businesses should look to provide similar amounts of training to that provided by the leaders in the study. These levels are provided in Table 1.

TABLE 1

Recommended Training Based on Levels Provided by Business KPI Leaders

	Initial Training (Per Deployment)	Ongoing Annual Training
End users	48–63 hours (by SAP solution type)	32–45 hours (by SAP solution type)
Administrators	67 hours	45 hours
Implementation teams	71 hours	NA

Source: IDC, 2020

Breaking out the end-user training recommendations by SAP solution from Table 1, analysis of our paper indicates that to maximize the performance gains received from the solutions, organizations should provide end users at least:

- 48 hours of initial training and 32 hours of annual training for SAP S/4HANA
- 59 hours of initial training and 41 hours of annual training for SAP Ariba solutions
- 63 hours of initial training and 45 hours of annual training for SAP SuccessFactors solutions
- 47 hours of initial training and 43 hours of annual training for SAP Customer Experience solutions
- 42 hours of initial training and 37 hours of annual training for SAP Analytics Cloud

ESSENTIAL GUIDANCE: EFFECTIVELY PLAN FOR TRAINING

Digital transformation affects all enterprise activities, and the global pandemic is only increasing the urgency of transformation. To improve operations and remain competitive in a rapidly changing world, line-of-business and IT leaders must continually disrupt their businesses. Success and growth are now driven by agility, and innovation is supported by analytics, design thinking, and business insights.

Enterprises are adopting SAP solutions to power their digital strategy and improve user experience and functionality, but providing sufficient training to the right people, on the right topics, is essential to maximize the benefits organizations receive from their SAP solutions. To increase benefits in all areas, enterprises need to:

- **Train consistently.** Build a plan to maintain the skills of end users, administrators, and implementation teams. Quality training experience helps ensure that every learner gets the most from the technology. Offering relevant training modules will increase employee participation and adoption.
- **Train practically.** Leverage elearning courses and electronic performance-support modules to offer efficient and convenient delivery of high-quality training programs.

- **Train everyone.** Investment in SAP solutions is significant. Training is a small incremental investment to ensure maximum business benefits. To achieve these benefits, organizations should establish a comprehensive blended training program. This includes functional and process training for end users and administrators and deep technical training for implementation teams. Further, all groups should understand both the expected near-term benefits and potential longer-term value of the new tools and processes.

- **Monitor performance.** Use tools to monitor user performance and target appropriate interventions – training, support, or infrastructure improvements – when adoption or increases in performance stall.

Finally, maximizing the benefits requires organizations to develop a continuous learning strategy that considers the life cycle of organizational skills:

- **Planning:** With the rapid adoption of new technologies, business and IT leaders will prioritize their learning and development projects and sequence their rollout by answering several questions:
  - Which applications will deliver the greatest organizational benefit?
  - Which users are leveraging those applications, and how will their work process be different?
  - Which SAP and non-SAP applications will be impacted?

- **Deployment:** During migration and deployment, the training requirements shift to understanding user workflow and usage patterns. Business leaders and training specialists may need to understand:
  - How do end users work with the new applications (who are "superusers" or "infrequent users," and what about mobile users versus desk-bound users)?
  - How do users progress through their workday? Have workflows changed?
  - Have new applications or processes created workflow or data problems?

- **Ongoing performance improvement:** After deployment is complete, the performance improvement journey doesn't end. Business leaders will need to uncover both the realized benefits and any ongoing challenges by asking:
  - Where has adoption of the new processes been slower than expected?
  - Is the system processing transactions at the expected speed?
  - How much has performance improved – by group, by application, or overall?
  - Are there opportunities to further improve workflow or performance?
  - What specific transactions or process steps result in errors or incorrect processing?

This paper found that while organizations can consistently gain performance improvement from installing SAP solutions, the improvement organizations realize varies widely and that training was an important determining factor in the extent to which organizations realized business value from their SAP deployments. Most organizations should follow this simple best practice: increase the training offered to impacted users, administrators, and implementation team members. If you do, this can create consistently greater performance improvement from your SAP solution.

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