

Sustainability is also about affordability

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New approaches to make SAP S/4HANA sustainability objectives more affordable with consumption-based models.

There is an exciting ambiguity in the English word “sustainability”. Its sense of being supportable and viable over the long term has recently been heavily linked with environmental issues — particularly net zero. It can also be applied to being practical in terms of economics or organizational resources.

All these overtones are fundamental in IT investments today. Any planned expenditure must take organizations closer to net-zero targets. But that is only likely to happen if it is also affordable over the long term.

This makes IT investment financing a key topic regarding environmental sustainability. Businesses must weigh the merits of outright purchases, leasing, or consumption-based contracts. These choices go right to the heart of cloud economics and require careful evaluation of the advantages and disadvantages of on-premises IT versus public cloud and hybrid environments. Critically, getting the balance right involves avoiding over-provisioning, with its unsustainable resource, energy, and cooling implications.

Sustainable SAP investment

SAP S/4HANA migration is a case in point. It offers extraordinary opportunities for environmental sustainability. Today, enterprises in multiple industries have started evaluating the benefits of using transactional data alongside concurrent experience data to develop a sustainable approach to business. Thanks to Artificial Intelligence, data polarization is taking a giant leap forward, providing businesses with the real-time insights needed to reduce their carbon footprint.

Stakeholders want the environmental (and other) benefits that SAP data brings. But not at any price. But the dilemma they face is how to benefit from all the new innovative data solutions in a business consistent approach, while also building a cost-effective new texture based on real facts and analysis. Otherwise, organizations are discovering that the costs involved to achieve this are simply not sustainable in the long term.

Public cloud versus on-premises versus hybrid

The trade-off between the two kinds of sustainability is also true for something as apparently cost-driven and low-carbon as the SAP S/4HANA sweet spot of public cloud adoption.

The economics of the public cloud is widely considered to be a no-brainer. Adoption continues to increase as more organizations seek to modernize their IT environments, reduce operational costs, and improve sustainability. The consumption-based approach helps organizations of all sizes to reduce costs by avoiding overprovisioning – because services can be scaled up – or down – as needed without the overhead of keeping them on permanent standby.

Many businesses are also realizing that there are situations where on-premises infrastructure can be more economically advantageous than pushing everything to the cloud. By switching to pay-per-use for storage with Fujitsu USCALE, the German City of Ludwigshafen is now paying a flat rate to protect the data it keeps – rather than needing to guesstimate and pay extra for additional but unused capacity. The solution provides a valuable safety net. Additional capacity is always available, but the city does not need to pay for the privilege of having this on standby.

For the City of Ludwigshafen, this is a hybrid approach – with the new storage infrastructure located in the city's own data centers and paying against consumption only without pre-owning the platform that saves a lot of costs and adheres to the hybrid cloud concept.

According to [a recent report from TechRepublic](#), it is small wonder that 82% of IT leaders say they have adopted a hybrid approach to the cloud, merging public cloud services with privately-owned hardware. The use of a hybrid cloud also helps organizations gauge the required data flow from applications on a privately-managed cloud, helping with future capacity forecasting – and of course compliance.

Getting the finance options right

It's not a question of monthly cloud subscriptions versus one-off hardware capital expenditure (CAPEX). New consumption-based models exist that merge the two – offering the advantages of on-prem ownership with the flexibility of monthly payments that keep the spend in operational expense (OPEX).

Phased OPEX over one-time CAPEX has further advantages. It frees up investment that can earn money elsewhere. And it avoids multiple expensive, lengthy procurement cycles to accommodate increased demand and usage. With consumption-based provision, it's possible to turn the tap up and down, without needing to go through complex re-tender procedures.

This ability to accommodate fluctuating workloads means that a consumption-based model dramatically reduces over-provisioning, a standard feature of conventional capital investments. [A 2022 report from Spiceworks Ziff Davis](#) says 40% of IT leaders have over-provisioned on-premises servers by at least 25%. This leads to higher costs, wasted resources, and increased environmental impact.

In summary, consumption-based models have a triple bonanza of reducing TCO over the public cloud (as demonstrated by 37signals), avoiding CAPEX and all the complications that it brings, and cutting out the energy wastage associated with over-provisioning.

Understand your real needs

Let's not overstate the simplicity of these decisions. Many variables are in play, and sensible choices require objective data about what workloads are needed and where. These tools already exist. For example, Fujitsu's powerful data and application tools, unique in the SAP community, give customers the power to make objective decisions based on all the facts related to their current environment.

We have a powerful suite of tools and services available. The [Fujitsu SystemInspection Service Suite for SAP Solutions](#) provides deep insights and consulting of the running environment that gives a thorough understanding of the SAP workloads to help support complex decision-making, be it transforming to S/4 HANA, better capacity planning, troubleshooting, and much more.

The decision to go to the cloud is very rarely purely technical and this encompasses various decision criteria like legal, sustainability goals, financial requirements, human resources, technical, etc. With [Fujitsu BestPlace service](#) Fujitsu delivers a unique data analytic service that leverages generative algorithms to help customers completely analyze various criteria and correctly find the right hybrid configuration for their operational needs. Thus, it's not just about utilizing the cloud, it's about putting the right workload in the right place based on factual data.

Fujitsu's PRIMEFLEX for SAP Landscapes powered by FlexFrame Orchestrator management software enables all-in-one, central and transparent management of SAP ERP environments and SAP HANA and S/4HANA infrastructures. Thanks to this application awareness in a hybrid environment, organizations benefit from data and application operational efficiencies and orchestration between platforms, ensuring a sustainable and consistently smart approach.

Objective workload analysis is an essential preparation for any investment decision that will be sustainable – in both senses of the word – over the long term.

For more information, visit <https://www.fujitsu.com/global/products/uscale/sap.html>

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As Head of SAP Business, Rohan D'Souza is responsible for the execution of Fujitsu's SAP strategy across Europe with a strong focus on developing initiatives to drive high growth and incremental SAP-related revenue in the data center and solutions business.



With more than 18 years of multi-national experience in the SAP market, Rohan is a Fujitsu Distinguished Engineer and has deep technical and project management skills as a solution architect for SAP Technology solutions, having designed and delivered value-added solutions to customers using SAP solutions.

Based in Walldorf (Germany), Rohan is passionate about technology and cloud computing and enjoys a hands-on approach to technology. He loves new challenges and enjoys travel and multicultural experiences. He holds a Bachelor's degree in Computer Engineering and a Master's from Alliance Manchester Business School. He is also a Certified PMP and TOGAF professional.