birchman

SAP S/4 HANA

Public Cloud vs. Private Cloud vs. AnyPrem:
Choosing Your Cloud Path

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Introduction

Traditionally SAP ERP transformations have been focused on on-premise implementations but times are changing. The days of clunky ERPs with complex transformations are behind us in favour of leaner, quicker, Cloud implementations. This still raises some significant questions and presents two key strategic decisions:

- **Which deployment option?** SAP S/4 RISE Private Edition, SAP S/4 GROW Public Edition, or SAP S/4 'AnyPrem'?

- **Which migration or conversion approach?** Greenfield, Brownfield, or Bluefield?"

Is the cloud **right** for us?

What does **migration** to Cloud look like?

What does SAP S/4 HANA **'AnyPrem'** look like?

What are the real **differences** between S/4 HANA RISE Private Edition and S/4 HANA GROW Public Edition?

How do we know if S/4HANA Public Cloud i**s really right** for us?

Is now **the right time** to move to S/4HANA Public Cloud?

We already have applications on a **Private Cloud**, why shouldn't we go the same direction for S/4?

We understand these are conversations happening in boardrooms across companies right now. We also understand that a 'Cloud First' strategy can be challenging and the road to S/4 and, especially, migrating to RISE (SAP Private Cloud Edition) or GROW (Public Cloud Edition) can seem daunting.
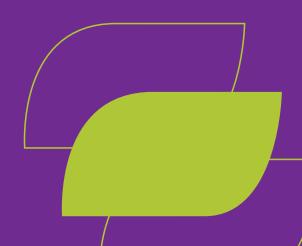
Our goal with this whitepaper is to cut through the complexity and help you make sense of your options. We'll walk you through the key considerations so you can confidently choose the right deployment path for SAP S/4HANA in your organisation. We'll also help you evaluate whether the GROW Public Cloud or RISE Private Cloud is the right fit for you, or if sticking with an AnyPrem solution makes more sense.

This is just the beginning.
Future editions of our whitepaper series will dive deeper into migration strategies—whether that's Greenfield, Brownfield, or Bluefield—and provide more context around building a 'Cloud First' strategy.

Collectively, these whitepapers form a roadmap for a comprehensive digital transformation journey. These will help you create a future-ready landscape that aligns with your business strategies. We see the shift to S/4 not as a technical necessity, but as a chance to shape a more agile, innovation-driven enterprise.

This move isn't just a solution for today's needs - it's your foundation for what's next.

'Cloud First' strategies

A cloud-first strategy involves prioritising cloud solutions for new or existing IT projects. Here are some key drivers behind adopting a cloud-first approach:

Cost Efficiency: Cloud services can reduce IT costs by eliminating the need for physical infrastructure and maintenance. They offer a pay-as-you-go model, which can be more economical – especially as infrastructure services continue to evolve, becoming more efficient. Cloud offers customers the ability to utilise the latest technology without retirement costs on the older technology.

Scalability: Cloud solutions provide the flexibility to scale resources up or down quickly based on demand, ensuring optimal performance without over-provisioning. Resources are quickly scaled up and can be quickly scaled down or switched off.

Agility: The cloud enables faster deployment of applications and services, allowing organisations to respond quickly to market changes and innovate more rapidly.

Security: Enhanced security features and compliance with industry standards are significant drivers. Many cloud providers offer robust security measures to protect data. The customer will always retain security responsibilities but at network and application level, not data centre and infrastructure levels.

Disaster Recovery: Cloud services usually include disaster recovery options, ensuring business continuity in case of data loss or system failures. Birchman always includes DR thinking (and Business Continuity Planning) in our designs and discussion with our customers.

Collaboration: Cloud platforms facilitate better collaboration among teams by providing access to shared resources and tools from anywhere

The Cloud Conundrum:
Public Cloud vs. Private Cloud vs. AnyCloud

When moving to the Cloud, SAP offers you three options:

1
S/4HANA Public Cloud

2
S/4HANA Private Cloud

3
S/4 HANA 'AnyPrem'

It's important that you know the difference between them to help you make an informed decision.

S/4HANA Public Cloud offers a scalable, cost-effective SaaS solution, hosted by SAP in a multi-tenant environment. SAP labels this as 'GROW with SAP' and it is most appropriate for net new SAP customers, although it can suit existing ECC users facing challenges such as:

Outdated Systems: Legacy systems, especially post-mergers or divestments.

Inherited ECC: Using a copied ECC system after a demerger.

Customisation Overload: Heavily customised systems needing modernisation.

Core Finance Focus: Centralising finance while managing multiple ERPs.

Ending Partnerships: Moving away from infrastructure contracts to focus on value.

Simplifying Complexity: Streamlining complex, legacy SAP landscapes.

GROW offers a fresh, simplified path to future-ready business processes.

S/4HANA Private Cloud offers a dedicated environment that gives you more control and customisation opportunities in return for a higher upfront cost. Can be hosted by a hyperscaler or by SAP in a single tenant environment. This is labelled as 'RISE with SAP' and constitutes S/4 as a PaaS offering.

S/4 HANA 'AnyPrem' offers S/4 as a solution managed by the Customer that gives the Customer control over customisations, landscapes and maintenance. SAP's role becomes one of 3rd level Application support.

What is 'AnyPrem' and is it right for your organisation?

'AnyPrem' refers to an S/4HANA implementation that isn't hosted by SAP or one of their hyperscalers as a SaaS or PaaS solution. Instead, the customer takes control, either by hosting in their own data centres or using another cloud provider—both options are covered under the 'AnyPrem' umbrella.

At first glance, AnyPrem might seem similar to a Private Cloud setup, where a hyperscaler hosts the solution. However, the key difference lies in responsibility. With Private Cloud, SAP and the hyperscaler manage the infrastructure and handle specific technical tasks. In contrast, with AnyPrem, the customer assumes full responsibility for the infrastructure, system maintenance, and upgrades.

The decision to opt for AnyPrem comes down to how much control and responsibility your organisation is willing to take on. It's ideal for businesses that prefer full ownership of their IT environment but should be considered against the additional management overhead.

Public vs Private Cloud vs AnyPrem

When choosing between cloud options, it's essential to balance the level of control an organisation wants over its cloud environment against the effort required to maintain it. Here's a clear breakdown of responsibilities in S/4HANA Public Cloud, Private Cloud, and AnyPrem.

Public and Private Cloud

Your organisation is responsible for:

- **Business Data:** Ensuring the security and compliance of business data within SAP S/4HANA.

- **User Management:** Managing user access, permissions, and roles within the application.

- **Business Processes:** Configuring and customising business processes within SAP's standardised functionalities.

SAP (working with Hyperscalers where relevant) are responsible for:

- **Infrastructure Management:** SAP manages the underlying infrastructure, including hardware, software and network.

- **Application Management:** SAP is responsible for the core application functionality, security patches and updates for the public cloud version.

- **Security of the Platform:** SAP secures the overall platform but may not extend to specific data security configurations.

AnyPrem

Your organisation is responsible for:

- **Everything listed under Public Cloud responsibilities.**

- **Infrastructure Management (Optional):** Choosing to manage infrastructure in-house or with a third-party cloud provider, depending on the deployment model.

SAP (working with Hyperscalers where relevant) are responsible for:

- **Application Management**: As with Public Cloud, SAP delivers core updates, functionality and security patches but in an AnyPrem deployment the customer is responsible for the application and testing of those updates.

- **Security Baseline:** Providing baseline security configurations, but offering more control for organisations to implement additional security measures based on compliance needs.

The following matrix outlines the key responsibilities:

Roles and responsibilities			
	Public cloud	**Private cloud**	**Any prem**
Implementation	• Managed through Central Business Configuration tool • Full SAP toolset around active methodology and Signavio Process Navigator • Driven by standard processes	• Can be managed through traditional IMG or Central Business Configuration tool • Full SAP toolset around active methodology and Signavio Process Navigator • Driven by standard processes	• Managed through traditional IMG tool • Some Sap accelerators still available but limited intregration
DB support	SAP managed	SAP managed	Customer responsibility
System operation support	SAP managed	SAP managed	Customer responsibility
Release cycle upgrades	6 month releases governed by SAP with regression test windows	SAP managed but timing under customer control to an extent (must stay within standard support windows)	Customer responsibility
Carrying out upgrades /patching	SAP managed	SAP managed	Customer responsibility
Governance / Security	SaaS- customer governs access roles and integration links to other apps/external systems	SAP/hyperscaler govern at PaaS level -customer governs roles and responsibilities and integration links	Customer responsibility
Performance	SAP managed	SAP. Hyperscaler managed	Customer responsibility
Sizing	SAP managed	SAP. Hyperscaler managed	Customer responsibility
Capacity planning	SAP managed with customer inputs re sizing and future planning	SAP. Hyperscaler managed with customer inputs re sizing and future planing	Customer responsibility
System availability	SAP managed	SAP. Hyperscaler managed	Customer responsibility
Integration	Integration between S/4 HANA BTP and other SAP systems managed by SAP. Customer owns and manages all integration suite integrations	Integration between S/4 HANA BTP and other SAP systems and Hyperscale Customer owns and manages all integration suite integrations	Customer responsibility

The balance between SAP S/4 HANA Private Cloud Edition, SAP S/4 HANA Public Cloud edition and S/4 HANA AnyPrem.

Your organisation will need to consider which elements you want to manage in-house and which you're comfortable leaving to a provider. Birchman recognises the drivers around finding the right option as a key part of a Digital Transformation and our customer focus and holistic journey planning both feed into this.

Feature Comparison:
Public Cloud vs Private S/HANA Cloud vs AnyPrem

It's important for organisations to evaluate ten essential features when selecting between Public, Private, or AnyPrem S/4HANA Cloud implementations:

Feature	Public Cloud	Private Cloud	AnyPrem
Deployment Model	Shared infrastructure with multiple tenants	Dedicated infrastructure for your organisation only – SAP or hyperscaler	Dedicated infrastructure for your organisation only – true on-prem or own Private cloud
Cost	Typically lower upfront cost, pay-as-you-go model	Typically lower upfront cost, pay-as-you-go model	Higher upfront cost for hardware and software and ongoing hardware costs
Scalability	Highly scalable, resources automatically adjust	Highly scalable, resources automatically adjust	Scalability requires manual provisioning of resources often tied into minimum deployment size and duration contracts for assigning new resources
Platform Security	Managed by cloud provider, utilises advanced security practices. Scalable security infrastructure: Cloud-based security that scales automatically to meet evolving threats, reducing your security burden.	Managed by cloud provider, utilises advanced security practices. Scalable security infrastructure: Cloud-based security that scales automatically to meet evolving threats, reducing your security burden.	Requires organisation to implement and maintain security
Compliance	May require additional effort to meet compliance needs	Easier to meet specific compliance regulations	Easier to meet specific compliance regulations
Control	Limited control over underlying infrastructure	Limited control over underlying infrastructure	Full control over infrastructure and data
Management Burden	Lower IT burden as more elements are managed by SAP	Lower IT burden as more elements are managed by SAP / Hyperscaler	Higher IT burden for infrastructure and application management
Downtime & Maintenance	Cloud provider handles maintenance and updates with fixed 6 monthly upgrade schedules	Managed by SAP / Hyperscaler but under customer control	Your organisation is responsible for maintenance and updates
Innovation	Access to cutting-edge cloud-native technologies (1) - see next page	Access to cutting-edge cloud-native technologies (1) - see next page	Limited access to new technologies unless self-implemented
Standardisation	Public Cloud is driven around the SAP Best practice Business processes including supporting adoption and speed to market	Private cloud includes access to the standard processes and many of the same tools but allows (and perhaps encourages) greater customisation	AnyPrem comes with the need to try to rein in customisations and requires customer project and partner discipline to drive adoption of standard processes which deliver greater opportunities and lower TCO (2) - see next page

1. SAP offer different levels of package for both GROW and RISE which come with different levels of access to latest innovations like Sustainability Insights and Generative AI.

2. One of the advantages of both Private Cloud and AnyPrem implementations is the ability to do an up-front technical conversion project and deliver Business Process improvements as a series of Opportunity projects subsequently. Driven by the Customer's Business Change Management capabilities. This allows us to move away from the sometimes-underlying big bang major change fears around the move to S/4.

In addition to these key features, it's also important to consider:

- **Data residency:** For Public Cloud, data may be stored in geographically dispersed locations. Private cloud allows some further options as to data centre locations (including choosing specific private cloud deployments) and AnyPrem supports data storage within your own infrastructure. It is crucial for organisations to assess compliance with data policies in the regions where their data is stored.

- **Vendor lock-in:** Public Cloud can lead to vendor lock-in if you become heavily reliant on a specific provider's services. Private Cloud and AnyPrem offers more flexibility in terms of choosing software and hardware vendors however this can bring additional cost.

- **Integration:** Public Cloud and Private Cloud are fully integrated with the wider SAP ecosphere, particularly around BTP. BTP Integration Suite is a latest generation Enterprise Services Hub fully supporting all major Integration patterns and protocols. AnyPrem (where it is truly on-prem) retains the concept of intra-network traffic but still requires the integration to the true SaaS SAP applications hosted on BTP (e.g. Integration Suite, Datasphere).

Is the Value of S/4HANA Public Cloud Being Underestimated?

When looking to migrate from on-premise solutions, some companies prioritise Private Cloud for their familiarity. However, Public Cloud offers significant advantages that shouldn't be ignored.

S/4HANA Public Cloud unlocks several benefits in our experience, including:

- **Competitive Advantage:**
  - Timely access to the latest technologies to drive innovation and improve efficiency, propelling your business forward
  - Increased agility to respond to market changes faster than competitors using on-premise or Private Cloud solutions

- **Enhanced Agility & Scalability:**
  - Faster deployments: reduced time to deploy new applications and updates compared to on-premise and Private Cloud implementations, enabling you to leverage new technology quicker.
  - Improved disaster recovery: leverage cloud provider's robust disaster recovery infrastructure for business continuity.
  - Data-driven decision making: real-time insights from SAP S/4HANA empower data-driven decision-making for better business outcomes.

- **Increased Innovation:**
  - Access to cutting-edge technologies: Public cloud offers a platform to explore and integrate innovative cloud-native solutions with low effort from your IT teams.
  - Faster time-to-market: rapid deployment capabilities accelerate innovation cycles and time to market for new products and services.

- **Improved Security:**
  - Leverage SAP's security expertise: benefit from their advanced security practices and continuous threat monitoring.

- **Future-Proofed IT Environment:**
  - The public cloud offers a scalable and adaptable foundation to support your organisation's growth and changing needs.

Developing a Cloud Strategy:
A Step-by-Step Framework for Making the Right Decision

Leveraging the five-step framework enables organisations to approach cloud implementation decisions with confidence.

1 Reflect

2 Define

3 Analyse

4 Consider

5 Act

Let's explore each in more detail.

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1 Reflect

Take a moment to reflect on the following questions:

- **On-premise SAP system ageing:** Is the current system approaching end-of-life or requiring significant upgrades? If the current system is due to go out of support soon or you require significant investment in upgrades, now might be the right time to explore moving to Cloud.

- **IT infrastructure costs:** Are hardware and maintenance expenses draining resources? The auto-scaling nature of Public Cloud offers more predictability over infrastructure cost and the Public Cloud model offers a lower Total Cost of Ownership which can enable valuable IT infrastructure cost savings.

- **Scalability and Agility:** Can the existing system adapt to changing business needs? With SAP S/4HANA Public Cloud, organisations benefit from simple deployment models and highly resilient infrastructure, ensuring consistently available systems that can integrate upgrades and new innovations with minimal effort.

- **IT team expertise:** Is there in-house expertise to manage and maintain a complex SAP infrastructure? By leveraging SAP Public Cloud, organisations can benefit from SAP's infrastructure and maintenance capabilities, freeing their teams to concentrate on strategic company initiatives.

- **Security Concerns:** Is the organisation confident in its current on-premise security measures? Security threats are evolving all the time and staying up to date with the latest protection is time consuming and complex. By leveraging SAP's Public Cloud S/4HANA, organisations can benefit from SAP's expertise in managing and safeguarding their systems.

Do any of these challenges resonate in your current business landscape?

If so, exploring SAP S/4HANA Public and Private Cloud Editions can be a strategic move towards greater agility and efficiency.

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2 Define

Clear business goals are the foundation of successful transformations. Setting these goals upfront, with measurable OKRs and KPIs, allows to quantify the programme's value.

Here are some examples of common goals Birchman assists organisations in defining:

- **Cost reduction:** SAP S/4HANA Public and Private Cloud Editions offers the opportunity to achieve significant cost savings in IT infrastructure expenditure

- **Increased business process efficiency:** By leveraging the standard business processes that come with SAP S/4HANA Public Cloud there is an opportunity to reassess business processes to pinpoint efficiency enhancements and implement them effectively. S/4 HANA Private Cloud edition also offers many of these opportunities whilst retaining more control over the environment. In many ways it's also about the ability to limit customisations to keep control over TCO, deliver agility and the ability to leverage future transformation opportunities.

- **Increased innovation:** deploying SAP Public Cloud offers a cost-effective way to future-proof your organisation and adopt new and innovative technologies with minimal IT effort. SAP Private Cloud edition also offers much of this in comparison to AnyPrem. As always with SAP it will come down to the overall subscription cost when adding in further SAP applications on the BTP platform. SAP offer Base, Premium and PremiumPlus versions of Private Cloud which sound attractive in terms of offering access to BTP credits and latest innovations. In reality the credits may be only tasters and further subscription costs will be needed to fully embrace other BTP solutions such as DataSphere and SAC. Because this tends to be a moving target Birchman continue to leverage their Platinum Partner status to keep on top of this as access to latest SAP innovations is an important factor in choosing the right deployment option. Even with Public Could there are 2 options – Base vs Premium and only premium comes with access to the latest SAP Innovations.

- **Improved agility & scalability:** the ability to respond to market changes effectively enables your organisation to remain competitive in a dynamic environment. The standardisation that is implicit in SAP S/4 HANA Public Cloud is a key driver in attaining agility but S/4 HANA Private Cloud Edition does not preclude that. It is all about managing degrees of customisation.

- **Removing Business and IT pain-points.** Irrespective of which deployment option is chosen, moving to S/4 will bring opportunities to remove or reduce critical Business and IT pain points. Birchman's capability-led approach will help recognise, document and add these to the Business case for moving to S/4.

In summary, understanding the various offerings, the impact in terms of access to the wider SAP ecosphere and the overall subscription costs for either Public Could or Private Cloud additions is a critical part of the process and one where Birchman can continue to support our customers in tailoring the packages to deliver maximum value with lowest TCO.

Regardless of the business objectives, it's crucial to document them and share them across teams. Aligning departmental goals with these objectives is vital to support the change management efforts that are integral to the success of a transformation programme.

3 Analyse

Now it's time to analyse the fit for SAP S/4HANA Public Cloud. Unlike on-premise and Private Cloud solutions, the Public Cloud offers considerably less scope for customisation. Therefore, it is important to evaluate the following factors to determine if SAP S/4HANA Public Cloud is the right fit:

- **Cost analysis:** Compare the ongoing costs of public cloud with the current on-premise expenses. Consider potential savings from reduced IT staff needs and infrastructure management.

- **Performance & innovation:** Evaluate the potential benefits of SAP S/4HANA's real-time capabilities and access to cutting-edge cloud technologies.

- **Security & compliance:** Assess the SAP's security practices and their alignment with your compliance requirements. Determine any additional measures that are required to ensure compliance.

- **Scalability & agility:** Consider the public cloud's inherent scalability to support future growth as opposed to the limitations of on-premise infrastructure.

- **IT management burden:** Evaluate the potential reduction in IT workload associated with the cloud provider managing infrastructure and updates.

Ensure thorough research into SAP's Public and Private Cloud offerings to fully understand these products. Engaging an experienced partner can be beneficial to ensure that all relevant information is considered in the context of the organisation. With Birchman's track record in both SAP S/4HANA Public and Private implementations, we are well placed to assist you with this.

3 Consider

Weigh up the results of your analysis from the previous step to determine whether SAP S/4HANA Public Cloud meets your requirements.

We generally find that Public Cloud offers a compelling option for organisations seeking cost optimisation, improved performance and agility and reduced burden of managing your IT infrastructure.

Meanwhile Private Cloud is better suited to organisations with strict data residency requirements or that require full control over their infrastructure. For some customers AnyPrem will be the right option. At Birchman we are dedicated to finding the right solution for each of our clients and (even though we are very aware of the advantages for GROW and RISE) we retain an agnostic view in order to help recognise and promote the right solution for each customer.

Once the most appropriate cloud solution for the organisation has been determined, it's time to take action.

4 Act

Taking action on the journey to SAP S/4HANA Public Cloud represents the final step in the evaluation process.

The migration to Cloud involves much more than simply technology. An effective Cloud migration programme also involves a robust change management strategy, thorough reviews of the business processes, governance and reporting structures to ensure the right foundations are in place for your journey to SAP S/4HANA Public Cloud. Birchman is committed to partnering with customers to:

- Conduct a thorough assessment of the existing environment and business needs.
- Identify critical pain points and determine how the move to S/4HANA can address or alleviate them.
- Develop a migration strategy tailored to the business
- Create a holistic roadmap that integrates the S/4HANA implementation with other important concurrent initiatives.
- Guide the business through the implementation process to ensure a smooth transition
- Support with business process amendments/changes/adaptations through fit-to-standard workshops
- Identify change management activities and support your teams through the change curve

Having an experienced trusted advisor to support the evaluation and implementation of your Cloud migration journey will ensure a smooth transition and help maximise the return on cloud investment.

5 Conclusion

In Birchman's experience, organisations often miss out on the potential cost optimisation and innovation benefits of SAP S/4HANA Public and Private Cloud Editions by assuming that a traditional AnyPrem deployment is automatically the best solution.

By following Birchman's five-step evaluation framework, clients can identify the most suitable cloud solution for their needs. Regardless of the chosen option, it is crucial to build the migration roadmap on a solid foundation to minimise risks during implementation and cutover. Birchman's proven expertise supports clients throughout this journey, helping organisations realise greater value and achieve faster results from their cloud migrations.

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