Enterprise cloud application adoption is gaining momentum and is approaching mainstream in many size, geographic and industry segments. Application leaders struggling to define appropriate support requirements and sources should use recent Gartner Research Circle study results as a guide.

Key Findings

- Respondents indicated that human capital management (HCM) applications were more likely to be cloud-based than either procurement or financial solutions in their organizations.

- Overall satisfaction with cloud-based applications is mixed, ranging from a high of 55% of respondents satisfied with core financials to a low of 37% for talent management (TM) solutions. Dissatisfaction was most pronounced for TM (6%) and strategic sourcing (4%) applications.

- Determining the proper mix of internal/external resources and getting/maintaining internal resource skill sets are widespread challenges. The most common use of external resources is to manage periodic updates (44%).

- Business functions and IT departments are collaborating to manage cloud solutions, with a majority of respondents indicating shared responsibility across all functions except financial planning and analysis (FP&A) (49%). However, HCM had the highest percentage of respondents indicating HR had sole control (29% of admin HR and 26% of TM).

- More than half of respondents (53%) use the same or more full-time equivalents (FTEs) for cloud application management as on-premises, and 63% report the same or greater annual spend.

Recommendations

Application leaders supporting enterprise (HCM, Finance and Procurement) cloud solutions:
Assess the existing enterprise application portfolio by surveying stakeholders to highlight objective and satisfaction gaps. Short-term staff or cost reduction should not be a key motivator for adopting cloud solutions.

Gain consensus on the internal staff governance model by identifying and agreeing on the division of roles and responsibilities between IT and business functions. Extend this division to external resources where applicable.

Compare available business and IT cloud skill sets with expected support issues to identify gaps. Augment internal resources with external providers as needed, particularly in the first year after deployment.

Build an ongoing application management plan that includes resources to constantly evaluate features delivered in periodic updates for business value, and then configure, test and deploy them. The chances of delivering ongoing business value will greatly diminish if incremental feature enablement is instead treated as a series of separate projects requiring additional funding.

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Survey Objective

This report is based on survey data results from the 2019 Gartner Managing Enterprise Cloud Applications Survey of Gartner Research Circle members. The goals of the survey were to:

- Gain insight into the number and types of resources that Gartner client organizations are using to manage their cloud enterprise business applications.
- Understand to what degree actual resources required differ from what was planned.
- Learn to what degree the resource mix for cloud differs from what was needed to manage on-premises applications.

The survey was conducted online in September 2019 with 137 Gartner Research Circle respondents (see the Demographics section for details). All respondents had to have at least one of the following technologies deployed in the cloud (either fully cloud or a mix of cloud and on-premises solutions):

- Finance: Core financial or financial planning and analysis (FP&A)
- Procurement: Procure-to-pay (P2P) or strategic sourcing
- HCM: Administrative HR (admin HR) or talent management (TM)

For detailed definitions of each of these categories, see the Definitions section at the end of this report.

Survey participants answered several closed questions pertaining to their management of enterprise cloud applications. In addition, they were asked one open-ended “hindsight” question:

- “If you knew then what you know now, what would you do differently related to managing your enterprise cloud applications portfolio?”

Verbatim, anonymized responses to this question are included throughout this report, where relevant and instructive.
Data Insights

Cloud Solution Adoption Increases for All Enterprise Categories

Cloud application adoption varies substantially by enterprise function, driven primarily by when offerings were first launched and achieved their first live customer:

- HCM: TM — late 1999
- HCM: admin HR — late 2006
- Procurement: P2P — early 2000s
- Procurement: strategic sourcing — early 2000s
- Finance: FP&A — early 2007
- Finance: Core financial — early 2010

With this kind of head start, it’s no surprise that cloud HCM adoption leads that of both finance and procurement, although both areas also report increasing adoption (see Figure 1):

- Only 7% of TM solutions were deployed completely on-premises and 61% were reported as fully cloud-based — this reflects the 20-year deployment history of these applications.
- Respondents indicated that 73% of admin HR was either fully cloud-based or hybrid — revealing increased end-user comfort with these applications’ data security capabilities.
- Procurement strategic sourcing has the next greatest adoption, with 66% either fully cloud-based or hybrid deployments.
- P2P, core financial and FP&A all have percentages of fully cloud-based deployments in the lower 20s, but all of these functions reported more than 58% usage of either fully cloud-based or hybrid deployments.
- Finance respondents indicated the greatest usage of on-premises deployments (37%).

The results show that HCM cloud deployment has become mainstream in most industry sectors and size segments. Procurement and finance solution adoption, while lagging behind HCM, shows strong momentum and reflects the continued maturity of these solutions and growing user confidence. With almost all new investment allocated to cloud-based solutions, those looking for innovation in on-premises applications will find increasingly limited choice in the enterprise solutions market.
Figure 1. Cloud Application Adoption Varies by Enterprise Function

Recommendations for application leaders supporting enterprise cloud solutions:

- Ensure you have a complete inventory of all solutions across enterprise functions and geographies, including legacy applications or spreadsheets supporting “fringe” processes. These are likely candidates for consolidation and process improvement.

- Work with business function leaders to pinpoint gaps in process support levels and satisfaction to help drive investment priorities and determine areas of greatest pain and impact.

- Include integration support for outsourcing discrete functional processes as needed, as not all enterprise functions will be supported via internally managed cloud-based solutions. Assign resources to track constantly evolving integration tool capabilities, as trained end users can now manage many integration requirements.

- Annually update business function technology strategies based on changing organizational requirements and the evolving provider landscape, including a minimum three-year investment roadmap.
Enterprise Cloud Satisfaction Is Mixed and Varies by Application Type

Cloud-based solution providers have generally reported high levels of satisfaction from their customers (often 90% satisfied or higher). In contrast, those responding to this survey conveyed a decidedly mixed viewpoint (see Figure 2):

- Overall satisfaction ranged from a high of 55% for core financial solutions to a low of 37% for TM.
- A majority of respondents were satisfied with the more “administrative” solutions for each enterprise function (core financial 55%, admin HR 52%, procure to pay 51%). This contrasts with the more “strategic” applications, where a majority were either neutral or dissatisfied.
- Respondents expressed outright dissatisfaction with only two enterprise functions — TM (6%) and strategic sourcing (4%).

Figure 2. Enterprise Cloud Application Satisfaction is Mixed

<table>
<thead>
<tr>
<th>Level of Satisfaction Toward Cloud Applications Across Enterprise Functions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Financial (n = 44)</td>
<td>Dissatisfied (1,2) 45%</td>
</tr>
<tr>
<td>HCM – Administrative HR functions (n = 63)</td>
<td>Dissatisfied (1,2) 48%</td>
</tr>
<tr>
<td>Procurement – Procure-to-Pay (n = 37)</td>
<td>Dissatisfied (1,2) 49%</td>
</tr>
<tr>
<td>Financial Planning &amp; Analysis (n = 51)</td>
<td>Dissatisfied (1,2) 57%</td>
</tr>
<tr>
<td>Procurement – Strategic Sourcing (n = 54)</td>
<td>Dissatisfied (1,2) 4%</td>
</tr>
<tr>
<td>HCM – Talent Management (n = 82)</td>
<td>Dissatisfied (1,2) 6%</td>
</tr>
</tbody>
</table>

Base = Gartner ITL Research Circle Members and external sample that are knowledgeable about each function.
Q1: How satisfied are you with your organizations, cloud application management process for...
Source: Gartner ITL Research Circle Managing Enterprise Cloud Applications study
Note: Values less than 2% not shown
ID: 363729

A likely reason for core financials achieving the highest satisfaction rating is that most financial processes have been defined for many years. Therefore, most organizations have used those definitions as the basis for process redesign in the cloud. Conversely, the lower ratings for both TM
and strategic sourcing may be partially attributable to the longer tenure of these solutions in the market. Many respondents may have implemented them more than five years ago and are now evaluating how to transition to “next generation” solutions. This contrasts with other enterprise functions, which are likely to still be in their first halcyon cloud deployment days.

However, Gartner client interactions also support a contrasting explanation. In some cases, those who have tried to consolidate TM and strategic sourcing functions into a comprehensive enterprise suite are experiencing functional gaps compared to previous solutions (see “How to Determine Whether Your ERP Will Meet Procurement and Sourcing Requirements”). Additionally, some Gartner clients moving from functionally rich but aging on-premises point solutions to cloud-based suites have encountered feature or configuration gaps. It could also be that respondents feel that these gaps have not been addressed quickly enough through cloud-based suite product updates. Regardless of the cause, it seems that much work remains for vendors and partners to raise satisfaction across the major enterprise cloud application categories. This is perhaps best reflected in the responses of two survey participants to the “hindsight” question:

“The overall strategy would remain similar. Some of the specific products and partners might be different.”

“We made the move due to an existing vendor’s roadmap and didn’t consider changing our technology, we wish we would have now.”

“The implementation was very challenging and we still continue to have production support issues. Bring in more experienced IT to make transition smoother.”

“I would probably go back and evaluate our providers differently. Ask a lot more questions. I would probably re-do the implementation.”

**Top Enterprise Cloud Application Management Challenges**

Although functionality is a key driver, many other factors affect levels of satisfaction with cloud-based solutions. According to the study (see Figure 3), the most prominent challenges associated with cloud application management are:

- Determining the proper application management resource mix
- Gaining and maintaining internal resource skill sets
- Managing multiple updates from multiple cloud applications
Looking at these enterprise-level results within the context of individual Gartner client inquiry for the three business functions reveals the following:

- Those deploying cloud finance applications are concerned with managing multiple updates from multiple cloud applications. This concern may reflect the more recent availability of cloud-based finance offerings and the corresponding recency of transition from on-premises applications. These vendors are delivering two to four updates annually to mature their application functionality, compared to HCM where the prevailing pattern is two updates.

- In contrast, the application leader supporting procurement is most concerned with determining the proper mix between internal and external resources. One factor influencing this perception is that the strategic sourcing part of procurement focuses on fewer roles and is therefore less affected by the other two challenges.

Variation notwithstanding, ensuring effective and efficient project plans is critical to successfully addressing these issues, as many projects have failed due to improper resource planning and
allocation. In addition, change management becomes a critical consideration, particularly for those migrating from heavily customized business processes to the cloud “fit to standard” best practice approach. Cloud applications offer configuration and extensibility instead of customization, and this can have a jarring effect for those used to demanding that processes are customized to fit. This appears to have been the case for two of the survey participants, whose responses to the “hindsight” question were:

“Increase communication to users about the possibilities, constraints and differentiation of a cloud applications and on-premises application to make sure of the understanding of this technology within all the company.”

“Managing the enterprise cloud apps is not that hard; hard is moving the business to adopt standard processes and exiting from where custom capability has been implemented using on-prem enterprise apps.”

**Recommendations for application leaders supporting enterprise cloud solutions:**

- Begin change management early in the selection process by educating stakeholders on the “fit to standard” approach of cloud compared to on-premises applications.
- Gain consensus on an updated cloud solution governance model, particularly when spanning business functions.
- Evaluate software functionality (whether separate or part of a broader ERP cloud offering) across the full range of desired business functions. Choose the best-fit solution that meets the requirements of the most functions but be prepared to augment with one or more follow-on projects to close any remaining gaps. These follow-ons may involve point solution selection, extension development, process outsourcing or a combination.
- Carefully weigh the pros/cons of a finance, procurement or HCM suite module with functional gaps (including near-term product roadmaps). Evaluate whether the benefits of a common data model, workflow engine, extensibility tools and user experience are enough to overcome short-to medium-term functionality gaps.

**Business and IT Tend to Collaborate to Manage Cloud Applications**

Enterprise cloud implementations and ongoing management activities must be conducted differently than legacy on-premises deployments, which commonly were managed predominantly by IT resources. Cloud application vendors have long marketed their solutions as being able to be managed by business users, with limited or no reliance on IT. Instead, the data shows that what has evolved in the current landscape is a collaborative approach to cloud application management. Every business function but FP&A indicated that 50% or more shared responsibility for application management between business and IT (see Figure 4).

Interestingly, finance-related functions had the highest percentage of applications managed by IT. This may reflect both the more recent move from on-premises and the perception of these solutions being “mission-critical” and thus requiring continued IT leadership. It is also likely that Finance has
more hybrid deployments, which are more likely to require continued IT involvement. Another factor could be that IT is providing identity/access/role management and monitoring segregation of duties for organizations subject to the Sarbanes-Oxley Act (SOX) or other audit regulations.

In contrast, HCM had the highest percentage of business-led management, likely due to a long history of HR-led deployments (particularly for midsize organizations) and the greater tenure of cloud HCM solutions. Meanwhile, procurement led all functions in percentage of respondents indicating shared responsibility (58% for strategic sourcing and 57% for procure-to-pay).

Figure 4. Business Collaboration With IT to Manage Enterprise Cloud Applications

<table>
<thead>
<tr>
<th>Team(s) Responsible for Cloud Applications</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement – Strategic Sourcing Apps (n = 53)</td>
<td>Other 6%</td>
</tr>
<tr>
<td>Procurement – Procure-to-Pay Apps (n = 37)</td>
<td>3%</td>
</tr>
<tr>
<td>HCM – Administrative HR Functions Applications (n = 62)</td>
<td>2%</td>
</tr>
<tr>
<td>HCM – Talent Management Applications (n = 81)</td>
<td>26%</td>
</tr>
<tr>
<td>Core Financial (n = 44)</td>
<td>2%</td>
</tr>
<tr>
<td>Financial Planning &amp; Analysis (n = 51)</td>
<td>18%</td>
</tr>
</tbody>
</table>

Historically, on-premises solutions involved significant contribution from IT for infrastructure, integrations, implementation project management and post-go-live support. The cloud has substantially changed this equation. Although it has significantly reduced the level of IT involvement, it does not eliminate it entirely. Usually, infrastructure and database-level administrative support are now handled by the provider. However, ensuring proper integrations (such as to identity management, enterprise BI, financial and other enterprise applications) remains a key IT function. Gartner inquiry indicates that application leaders in finance, procurement and HR are often not fully equipped to handle tasks/issues previously seen as IT’s domain. One big example is security/role management — there is often a gap in understanding how cloud application role-based security
works and how to administer it post-implementation. Conversely, IT may still view certain cloud business applications as not being mission-critical and refer issues back to business users — which leads to frustration and confusion. The increasing use of third-party resources for cloud application management only complicates the issue.

Successful enterprise cloud application management requires business process owners and subject matter experts (SMEs) to be significantly involved in the configuration, testing and deployment processes. IT involvement remains significant, but it is likely to be focused on enterprise architecture, infrastructure and security requirements, governance, supporting integrations and extensions, complex reporting and project management. Therefore, not only does C-suite leadership need to be aligned, but midlevel IT and business leaders also need to understand their roles and responsibilities. The scope of this coordination includes not only internal resources where the support processes will primarily take place, but also the resources of the vendor and third-party providers.

Several participants’ responses to the “hindsight” question reinforce the importance of these issues:

“If I could go back and do it over, I’d require more time for planning and coordination between HR and IT. There was too much of a sense of shadow IT for such a business-critical function.”

“Understand sooner how moving to a SaaS model changes the responsibilities of internal resources, both ICT and business.”

“Identify new roles and responsibilities and provide training earlier. Adaptation of the software development life cycle. Structural reorganization of developer resources.”

“Think through required roles and responsibilities carefully. Don’t assume existing staff will transition easily.”

“We would have done a more thorough analysis of the skill set and responsibility changes implied by the changes and worked on a workforce realignment/reskilling initiative.”

**Recommendations for application leaders supporting enterprise cloud solutions:**

- Identify and agree on roles and responsibilities between IT and all affected business functions. Consider a separate business application team with either a direct or dotted line into each business function. For those organizations without this team structure, assign business function SMEs to each application to work with their IT counterparts to define roles and responsibilities.

- Business function leadership overseeing these applications needs to become conversant with the nuances of cloud application management, particularly vendor management, SLAs, role-based security administration and ongoing support. IT and the business must collaborate to ensure that processes previously handled by IT can now be shared with, or owned by, business function resources.

- Reduce risk by focusing on change management activities — such as internal communications, training and configuration scoping — throughout the definition of requirements, selection and
implementation of an application. In addition, conduct a risk impact assessment for any follow-on enhancement projects.

- During the vendor selection process, ensure that implementation issues, processes and costs are included as part of the selection process. Ensure that the selection team and related business function SMEs are made fully aware of critical implementation issues during this stage.

Enterprise Cloud Applications are Not Necessarily Less Resource Intensive or Cheaper

More than half of respondents (53%) used the same or more resources for cloud-based solutions compared with on-premises, and 21% used somewhat or significantly more. Conversely, 47% indicated that somewhat or significantly fewer resources were needed (see Figure 5):

Figure 5. A Majority Used the Same or More FTEs for Cloud Compared to On-Premises

<table>
<thead>
<tr>
<th>Resources Needed to Manage Enterprise Cloud Versus On-Premises Applications</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>53% Needed the Same or More</td>
<td>23% Significantly Fewer FTE’s (26%+ Fewer)</td>
</tr>
<tr>
<td>17% Somewhat More Resources (11-25% More)</td>
<td>4% Significantly More Resources (26%+ More)</td>
</tr>
<tr>
<td>32% About the Same Number of Resources (+/-10%)</td>
<td>24% Somewhat Fewer Resources (11-25% Fewer)</td>
</tr>
</tbody>
</table>

n = 128 Gartner ITL Research Circle Members and external sample; Excludes ‘Not Sure’

Q3. Compared to the needs for managing enterprise on-premises applications, how many FTEs (full time equivalents) are needed to manage enterprise cloud applications?

Source: Gartner ITL Research Circle Managing Enterprise Cloud Applications study

Note: Values less than 2% not shown
ID: 353729

On the cost side, 37% of respondents reported lower annual spend for enterprise cloud versus on-premises solutions (either somewhat less or significantly less). In addition, 32% reported spending about the same amount (around 10% more or less expensive), while 32% reported spending more annually (see Figure 6).
The positive results reported by respondents that used fewer resources and spent less would align with vendor claims that cloud applications are cheaper and require fewer resources. It also suggests that cloud-delivered best practices can lead to improved process efficiency and effectiveness, quicker and more accurate analytics and, ultimately, reduced administrative resource requirements.

However, overall a majority indicated about the same or more resource utilization and annual spend compared with their previous environment. This is likely indicative of many obstacles that organizations experience as they deploy enterprise cloud solutions, including:

- Difficulties as they migrate from legacy on-premises solutions (many on “maintenance mode” and thus relatively inexpensive to run) to a hybrid cloud/on-premises landscape with ongoing annual subscription costs
- Complexity of integrating multiple cloud and on-premises applications, each with different underlying technologies and data models
- The unexpected cost of continuing to support legacy applications that sometimes must be kept live for archival reporting purposes
Deploying the solution across the enterprise, which may have taken longer than expected, thus adding to cost

A global implementation that may not have fully considered country needs, leading to the stubborn persistence of “shadow” systems originally planned to be decommissioned

Change resistance by various stakeholders (such as a functional, country or business unit leaders) that inhibits full adoption

These issues result in several concerns expressed in Figure 3, which shows that the top three enterprise cloud application management challenges are:

- Determining the proper mix of internal, vendor and third-party resources for the organization’s context — a balancing act that must be continually monitored for changes over time.

- Finding and maintaining the needed skills for internal resources, because cloud skill sets are often in short supply due to ever-increasing adoption. Experienced talent is often hard to find and even harder to keep, especially when implementation consultancies are paying top salaries for skilled resources.

- The complexity of managing multiple updates from multiple cloud applications, which may have differing production dates and testing windows.

These issues all contribute to enterprise cloud solution adopters not seeing promised reductions in resource utilization and annual spend. In addition, Gartner client inquiry suggests that there is a period immediately after initial deployment where organizations are not likely to see cost savings. Ultimately, these findings caution against planning for cost and resource savings to be a key outcome of any enterprise cloud implementation, at least in the near term. This point is eloquently reinforced by several responses to the “hindsight” question:

“I think I would manage the expectations of upper management differently. Cloud is not always cheaper in our current landscape and the expectation of drastic cost reduction should be tempered or at least better articulated.”

“Don’t expect significant cost savings and less resource needs.”

“Clearer criteria, scope of work and contingencies. Different scheduling/implementation expectations and more testing.”

**Recommendations for application leaders supporting enterprise cloud solutions:**

- Compare internally available business function and IT resource cloud familiarity and expertise against expected critical implementation and post-go-live support issues to surface gaps. Supplement with external providers as needed, particularly in the first year after initial deployment.

- Increase focus on release planning as part of the ongoing maintenance effort through coordination between end users, IT, vendor staff and any third-party support. Consider creating and resourcing a specific release management role, as indicated by Gartner client inquiry.
Make business outcomes the key driver of a cloud transformation by focusing on key measures of success. Cost is important for most enterprises, but should not be the sole driver.

Most Organizations Augment Internal Staff With Supplemental Resources

Most organizations (86%) were supplementing internal teams with some level of third-party support to maintain enterprise cloud applications, via either contingent resources or managed services. Comparing actual versus original business case expected spend, 16% of respondents spent less on supplemental resources, 42% spent about the same and 28% spent more (see Figure 7).

Figure 7. Most Spent the Same or More on Supplemental Compared to Original Business Case

These results indicate that those shifting to cloud-based solutions experience some challenges with keeping to their original plan for supplemental resource spend. Possible contributors to this overspending compared to the original business case are:

- Internal teams take longer to accomplish tasks than expected and require augmentation.
Project teams underestimated the sheer volume of work needed to manage and integrate their application portfolio.

Internal resources left the organization or were transferred to other projects, and supplemental resources were needed to backfill.

Additional perspective is provided by Figure 8, which highlights the most common cloud application management tasks. Of these, managing regular releases for cloud applications was the highest (44% using external resources), followed by applications administration and management (39%). This is indicative of the newness of cloud applications, but also the challenge of managing regular updates (as highlighted by Figure 3). Vendors typically release updates (sometimes with new business processes, always with configuration enhancements) two to four times per year. Updates are usually delivered with any new capabilities “dormant” in order to limit the impact on the customer’s existing configurations. However, it’s often a significant challenge for organizations to test the update and all associated integrations within the vendor’s set time frames. Most enterprise application teams enable new features after the update has gone into production and treat any new feature enablement as a follow-on project. Skilled resources with cloud knowledge are still in high demand, and knowledgeable internal staff are in constant danger of “poaching.” Therefore, it is no wonder that these tasks are often performed by external resources. However, some Gartner clients have indicated that an overreliance on supplemental managed services has resulted in lack of internal knowledge to perform key application functions. This has at times affected business outcomes or the perceived success of the deployment, as also expressed in several answers to the “hindsight” question:

“We transitioned HCM to <Vendor> two years ago, financial analysis earlier this year and ERP scheduled for mid-2020. The biggest challenge will be understanding staffing levels to maintain release level analysis, testing and deployment.”

“Traditional configuration knowledge and skills are less likely to gained internally as part of a SaaS rollout, so future development may need external resources.”

“Build more internal capabilities and skill sets to better manage these capabilities.”

“Make business case dependent on more internal resources and reduce the reliance on partners, which never ceases.”
Recommendations for application leaders supporting enterprise cloud solutions:

- Ensure the successful adoption of cloud application updates by creating an agile process that identifies affected direct and downstream enterprise processes. This will better focus configuration, testing and change management activities on updates that deliver the highest perceived value.

- Identify the need for and degree of supplementation by evaluating current internal resource availability and expertise as part of pre-implementation planning. In most circumstances, assume that some level of internal resource augmentation will be needed after the immediate
post-deployment hypercare period. However, avoid any long-term third-party contracts until the specific tasks and requirements are identified.

- Plan resource and task assignments to eliminate sole reliance on supplemental resources to perform critical functions. Make knowledge transfer from supplemental resources to internal staff a KPI for any managed services agreement.

- Ensure that any contracts with supplemental resources include the right to request reassignment of any resource. Also ensure that project team members can vet any replacement options to make sure they provide the proper expertise and cultural fit.

Methodology

Gartner’s Managing Enterprise Cloud Applications survey was conducted online from September 20 to October 1 with 137 Gartner Research Circle members — a Gartner-managed panel — and an external sample. By major function, 96 respondents were familiar with HCM technology, 53 with procurement solutions and 51 with finance applications.

The survey was developed by a team of Gartner analysts. It was reviewed, tested and administered by Gartner’s Research Data and Analytics team.

Results are representative of the respondents surveyed, not of the industry as a whole.

Demographics

Figures 9 through 13 combined provide a multifaceted profile of the survey respondents.
Figure 9. Knowledge of Cloud Applications Across Enterprise Functions

Knowledge of Cloud Applications Across Enterprise Functions
Percentage of Respondents

- HCM – Talent Management: 60%
- HCM – Administrative HR Functions: 46%
- Procurement – Strategic Sourcing Apps: 39%
- Financial Planning & Analysis Applications: 37%
- Core Financial: 32%
- Procurement – Procure-to-Pay Applications: 27%

n = 137 Gartner ITL Research Circle Members and external sample; Excludes ‘None of the above’
Source: Gartner ITL Research Circle Managing Enterprise Cloud Applications study
Note: Values less than 2% not shown
ID: 353729
Figure 10. Primary Focus of Job Role

Primary Focus of Job Role
Percentage of Respondents

- Information Technology: 12%
- Procurement or Purchasing: 19%
- Corporate Leadership (Full Company): 26%
- Line-of-Business Leadership (Manager in a Division of the Business With Profit and Loss Responsibility): 33%
- Sales: 7%
- Research and Development: 2%

n = 42 External sample only

Q99. Which best describes the primary focus of your job role?
Source: Gartner ITL Research Circle Managing Enterprise Cloud Applications study
Note: Values less than 2% not shown
ID: 353729
Figure 11. Respondent Profile

**Respondent Profile: Technology Adoption**
Percentage of Respondents

- **26%** Aggressive – Adopts Relatively New and Risky Technologies
- **12%** Conservative – Adopts Only Proven Technologies
- **61%** Mainstream – Adopts Maturing Technologies With Manageable Risk

n = 137 Gartner Research Circle Members and external sample; Excludes ‘No answer’
RecQ10: Which option best describes your organization’s current approach to technology adoption?
Source: Gartner ITL, Research Circle Managing Enterprise Cloud Applications study
Note: Values less than 2% not shown
ID: 353729
Figure 12. Respondent Profile: Primary Industry

Respondent Profile
Percentage of Respondents

<table>
<thead>
<tr>
<th>Primary Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>18%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>17%</td>
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<tr>
<td>Government</td>
<td>16%</td>
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<tr>
<td>Services</td>
<td>7%</td>
</tr>
<tr>
<td>Insurance</td>
<td>6%</td>
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<td>Retail</td>
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<tr>
<td>Utilities</td>
<td>1%</td>
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<tr>
<td>Other</td>
<td>4%</td>
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Annual Revenue

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Non-profit/Gov/Public Sector</td>
<td>11%</td>
</tr>
<tr>
<td>Less Than $100M</td>
<td>17%</td>
</tr>
<tr>
<td>$100M to $250M</td>
<td>5%</td>
</tr>
<tr>
<td>$250M to $500M</td>
<td>6%</td>
</tr>
<tr>
<td>$500M to $1B</td>
<td>8%</td>
</tr>
<tr>
<td>$1B to $3B</td>
<td>15%</td>
</tr>
<tr>
<td>$3B to $5B</td>
<td>10%</td>
</tr>
<tr>
<td>$5B to $10B</td>
<td>10%</td>
</tr>
<tr>
<td>$10B or More</td>
<td>19%</td>
</tr>
</tbody>
</table>

Employees Worldwide

<table>
<thead>
<tr>
<th>Employee Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than 100</td>
<td>7%</td>
</tr>
<tr>
<td>100 to 249</td>
<td>3%</td>
</tr>
<tr>
<td>250 to 499</td>
<td>3%</td>
</tr>
<tr>
<td>500 to 749</td>
<td>2%</td>
</tr>
<tr>
<td>750 to 999</td>
<td>4%</td>
</tr>
<tr>
<td>1,000 to 1,999</td>
<td>11%</td>
</tr>
<tr>
<td>2,000 to 4,999</td>
<td>23%</td>
</tr>
<tr>
<td>5,000 to 8,999</td>
<td>10%</td>
</tr>
<tr>
<td>10,000 to 19,999</td>
<td>9%</td>
</tr>
<tr>
<td>20,000 to 49,999</td>
<td>16%</td>
</tr>
<tr>
<td>50,000 or More</td>
<td>12%</td>
</tr>
</tbody>
</table>

n = 131 Gartner Research Circle Members and external sample; Excludes ‘No answer’

RecQ12: Your organization’s primary industry classification?
Source: Gartner ITL Research Circle Managing Enterprise Cloud Applications study
ID: 353729

RecQ07: Your organization’s enterprise-wide annual revenue in USD for the most recently completed fiscal year
Base: n=131 Gartner Research Circle Members and external sample; Excludes ‘Don’t know’
RecQ06b: Number of full-time equivalent (FTE) employees who work in your organization within your country and worldwide
Source: Gartner ITL Research Circle Managing Enterprise Cloud Applications study
ID: 353729
Figure 13. Respondent Profile: Region

Respondent Profile: Region
Percentage of Respondents

- 36% EMEA
- 43% North America
- 7% Latin America
- 14% APAC

n = 137 Gartner ITL Research Circle Members and external sample
RecQ14: In what country are you located?
Source: Gartner ITL Research Circle Managing Enterprise Cloud Applications study
ID: 353729

Note: Additional research contribution and review by Tori Esposito.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

“Survey Analysis: Cloud HCM Application Management Lessons Learned”
“Survey Analysis: Cloud Financials May Not Be Cheaper Than On-Premises”
“Survey Analysis: Insights on Cloud Procurement Application Management”
“2019-2021 Strategic Roadmap for HCM Technology Investments”
“Critical Capabilities for Cloud HCM Suites for 1,000+ Employee Enterprises”
“Building a Business Case for HCM Technology Investments”
“Critical Capabilities for Procure-to-Pay Suites”

“Critical Capabilities for Strategic Sourcing Application Suites”

“Best Practices for Sequencing Investments in Sourcing and Procurement Solutions”

“Procure-to-Pay Suites: How to Choose Your Best-Fit Solution”

“2019 Strategic Roadmap for Cloud Core Financial Management Suites”

“Forget What You Know and Start Fresh When Implementing Cloud Core Financial Management Suites”

Definitions

**Administrative HR (admin HR) applications** support one or more of the following functions: core HR data management, payroll administration, benefits administration and transactional self-service for employees and managers.

**Core financials solutions** are systems of record centered on the general ledger and its subledgers, including accounts payable, accounts receivable, fixed assets, project accounting and purchase order (see “Magic Quadrant for Cloud Core Financial Management Suites for Midsize, Large and Global Enterprises”).

**Financial planning and analysis (FP&A) applications** have budgeting, planning and forecasting capabilities, coupled with analysis and management reporting features (see “Magic Quadrant for Cloud Financial Planning and Analysis Solutions”).

**Strategic sourcing applications** support one or more of the following functions: spend analysis, e-sourcing, supply base management (SBM) and contract life cycle management (CLM).

**Talent management (TM) applications** support one or more of the following functions: recruiting, onboarding, performance/goals management, career and succession management, compensation management, and learning management.

**Procure-to-pay applications (P2P)** support one or more of the following functions: e-procurement, catalog management, e-invoicing and accounts payable invoice automation (APIA).