

SAP COMMERCE: ADVANTAGES IN THE CLOUD AND ON-PREMISE

For years SAP Commerce solutions have empowered organizations to deliver a frictionless digital commerce experience to their consumers, thanks to omni channel power and versatility. After all, both Gartner and [Forrester rated SAP commerce software](#) as a leader, empowering organizations to exceed customer experience expectations and deliver a streamlined buying journey.

But as technology has advanced, so too have the expectations of the commerce experience for consumers. In response to accelerated demand for new capabilities and features in commerce solutions and experiences, SAP acquired Hybris in 2012 and extended it to the cloud in 2015. Now commonly referred to as SAP Commerce Cloud, it's comparable to its on-premise counterpart but has unique advantages. On the flip side, the on-premise version of the SAP commerce solution has unique advantages as well. Organizations are now faced with a choice – a choice teeming with complexities and nuances that require business and information technology professionals alike to consider and decide.

CLOUD VS. ON-PREM: WHICH IS THE BEST FIT FOR MY ENTERPRISE?

For existing on-premise SAP commerce customers already invested in support agreements, DevOps, infrastructure, and processes, weighing the benefits of the cloud solution against the time and monetary costs of migration is part of the decision-making process. And for prospective commerce customers, weighing the feature functionality advantages for both the cloud and on-premise versions is critical. To help business and information technology professionals navigate this decision-making, the following guide is structured by contextual considerations and feature advantages to support decision processes when weighing the on-premise solution against the cloud solution.

FEATURE ADVANTAGES

Now with the business and technology contexts in mind, it's prudent to weigh out the features of SAP Commerce Cloud against its on-premise counterpart. Here we dive into the key benefits of the cloud versus the key benefits of the on-prem solution.



KEY BENEFITS OF THE CLOUD

TOTAL COST OF OWNERSHIP (TCO)

Not only can cloud applications save time, but they can also reduce hard costs. The cloud-based solution can lower the total cost of ownership (TCO) because there's no longer a need to lease, buy and manage hardware and servers. Additionally, there's a reduction in manpower and third-party licensing costs. The monthly software licensing fee is the only cost to operate the system and includes performance and security monitoring across databases, web servers, and other components.

TIME-TO-VALUE

SAP Commerce Cloud is known for maximizing an organization's development and operations – or DevOps. Administrators are immediately empowered through the software-as-a-service (SaaS) model to self-manage common tasks. No longer do administrators need to wait for in-house servers to arrive, or spend time acquiring software licenses, and spend time waiting for the installation before accessing it. DevOps are expedited and enhanced with features, fixes and updates for the business. Specifically, Commerce Cloud DevOps advantages include:

- **A high degree of automation** whether it's environment setup, deployment, backup or restore.
- **Standard build pipelines** to build, test and release within Commerce Cloud since the system operates with container images.
- **Standard cluster deployments** whether with Kubernetes operator, Apache Ingress or non-interactive initializations or updates.

STANDARD FACILITIES

Logging and performance tools significantly speed up the process of identifying where the exceptions occur and help triage the problem, thus significantly reducing time to resolution. Such tools can also be used to help identify problems before they occur. With auto-scaling, the system is scaled automatically to cater for unplanned peaks, for example when great marketing campaigns are triggered. Nodes can also be recovered automatically when it fails, thus adding another layer of safety to the landscapes.



SELF-SERVICE

SAP Commerce Cloud contains a central management portal that enables users to manage common tasks without tickets such as environment provisioning, automated builds and deployments, user management, monitoring and more.

KEY BENEFIT OF THE ON-PREMISE SOLUTION

While there are distinct benefits to moving to the cloud, some organizations may not be ready to make the move. After all, while SAP Commerce Cloud adds time-to-value and potentially significant cost reductions, moving may require architectural changes. Previous integrations requiring VPN access, for example, between private clouds can be replaced with simpler connections over the internet. Flexibility is the key benefit of the on-prem solution.

FLEXIBILITY

With SAP Commerce on-prem, administrators can manage common operational tasks without the need to coordinate or rely on third party assistance. Some of these tasks include environment provisioning, automated builds and deployments, user management, security configurations, and monitoring. The solution comes with the tooling necessary to manage the applications easily and securely over the internet. The solution provides users the flexibility to deploy the system in a variety of ways – whether it be with AWS, Azure, Google or other data centers or use-preferred databases, search engines and more.

FEATURE BENEFITS OF BOTH VERSIONS

Finally we assess the feature benefits common to both systems. It's worth noting that this list is not exhaustive, but intended to be a guide for the most critical functions and features.

INTEGRATION

Functionalities can be seamlessly integrated with SAP Marketing Cloud, including identity and profile management, product recommendations and more. The SAP Commerce Accelerators provides organizations with ready-to-use omni-channel storefront templates and business tools that allow for the delivery of exceptional customer experiences, all the while reducing development time. Included in the solution are industry-leading product information management capabilities, as well as regular updates to new features and capabilities.



With SAP Commerce Cloud organizations can more easily scale the solution based on demand. As enterprise and digital commerce grows, so too does the need for robust systems that can handle surging demand without compromising on performance. Additional feature benefits include:

- **Omni Commerce Connect (OCC):** This ne next-generation commerce API enables retailers and other organizations to expose key commerce functionality via a RESTful Web service API, integrating core commerce functionalities into any internet-enabled touchpoint.
- **Assisted Service Module:** This is a customer service tool that can be used to support both online and in-store channels.
- **Easy-to-use tools and cockpits** to manage and promote your products and product content for all of your channels.
- **Order management and fulfillment** capabilities allow you to show stock availability across all channels in real-time. A single, easy view of inventory across online/in-store and ability to define stock, sourcing and allocation rules.
- **Self-services** including order history, access to invoices, order tracking, and consent management.

CONTEXTUAL CONSIDERATIONS

SAP Commerce Cloud consists of a combination of mandatory and optional software packages that can be used to create a tailored commerce solution. In some regions around the world, and within select industries for that matter, stringent legal regulations surround the usage of cloud systems and the location of data held in those systems. For example the healthcare, finance, and insurance sectors are known for increased regulations, and it's recommended enterprises operating in those fields [find out more information about SAP's Commerce Cloud solution architecture](#).

On one hand, SAP Commerce Cloud's mandated updates can be beneficial since it mitigates degradations and ensures feature functionality. On the other hand, it necessitates a well-defined roll-out plan to accommodate release changes. Especially for organizations with multi-country and multi-year roll outs, consideration needs to be given to SAP's directives regarding updates and changes to the release strategy. The roadmap may need to be redefined balancing cost, impacts, and risks.

Another consideration includes whether your business scenarios are dependent upon fast integrations with a variety of on-premise systems. If affirmative, you will want to ensure that



the impact of connecting to these systems is minimal from a network perspective. Architectural changes may be required to manage such integrations more effectively, and it may be necessary to rewrite some interfaces to reduce the amount of data being exchanged.

Sometimes too these transitions require re-engineering of legacy code. The re-engineering effort depends highly on the customers' release, as well as the current SAP release and quality of the code. In many cases, used extensions may be obsolete and need to be replaced. There may be other impacts as well, for example, if related processes depend on database replication and file transfers these too will need to be revisited and redesigned.

Although SAP Commerce Cloud provides much of the infrastructure in a consistent architecture, there will always be external systems that need to interact with your commerce solution. Correctly understanding the features and benefits of the existing architecture of SAP Commerce Cloud will help you design new integrations.

It should be noted as well that many commerce solutions are hosted in third-party data centers or cloud service providers like AWS and Google. These service provider agreements are often based on long running contracts which may need to be canceled or renegotiated. In addition, organizations may have already purchased tools which may no longer be needed. With the transition to the cloud, all these processes and contracts need to be adapted. Still some functions which are being performed internally may no longer be required, or it may be possible that the support teams will need to perform those operations using methods and tools provided by SAP.

FINAL CONSIDERATIONS

Both the Cloud version and the on-premise version share common and distinct advantages. For enterprises that prefer the on-premise model, it is advisable that regular updates be maintained and that it be the latest version of the software. This helps ensure that all of the features and updates are accessible and more importantly, all the security and performance updates are included in a timely manner.

Begin to consider migrating to SAP Commerce Cloud or upgrading your on-premise version to ensure you have the support to keep your commerce running smoothly. The latest versions of SAP software, whether in the cloud or on the premises, will enable your organization to leverage state-of-the-art commerce features to keep your business thriving in the era of modern digital commerce.

To access the SAP community or product documentation for SAP Commerce Cloud, please review this list of [online resources](#).