

Q1 2025
SAP
MARKET REPORT



by
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PRECISION SOURCING



The current market landscape appears to be in a bit of a lull as clients work through getting budgets and business cases approved for large programs of work. In the wake of a growth surge a couple of years ago, companies seem to be moving forward with leaner teams which is resulting in a lot of senior candidates becoming available to hire. Multiple clients have cited frustration with a backlog of work coupled with limited resources and budget constraints. There is however some quiet optimism and growing confidence that 2025 is the target year for many businesses to concentrate on more project initiatives. If you are in a position to hire then now is the time to do it.

THE IMPACT ON THE SAP MARKET

The SAP market in certain areas is currently very **client driven**, a shift that many were keen to see happen. To some, this is a welcome adjustment to what was an unsustainable landscape of **soaring salaries, rate increases** and **constant movement** of SAP resources between SI partners in the boom of 2022. The market behaviour in its current state is viewed by many as a correction that had to happen.

Yes, every cost decision is being scrutinised by multiple levels in most organisations which is causing a delay with sign off. Consequently many SAP resources are feeling a lack of opportunity and/or in most cases very **extended hiring processes**. Some vacancies are taking up to 6 months to formalise. Despite this, there are positive pockets of **activity** and even acquisitions signalling a growing confidence in the wave of **more project work** on the horizon.

This quarter, the Precision Sourcing team attended 319 client visits and the narrative captured from those meetings was that we are in the 'thinking phase'. Customers are increasingly convinced that **projects will materialise**, but there remains uncertainty about their specific nature and timing. A recurring theme is the best pathway to S/4 – whether through a Brownfield, Bluefield or the big bang Greenfield approach.

This coupled with **economic pressures is causing a holding pattern**. There are of course exceptions to the masses and industries like Mining are in a good place and are moving forward with large SAP programs.

This 'thinking phase' is fostering a lot of hope. Numerous customers are asking for RFI's so consultancies and resource providers are finding the right balance of investing resources and time for free and betting on a return on investment, even if the decision takes longer than normal. While interest in solutions like Signavio and SAP Rise are increasing, actual conversion remains slow.

What we do know is that interest rates cuts will stimulate the economy and we can anticipate a positive impact on project approval should this happen.

Placements Splits

2020	77% Contract	23% Permanent
2021	81% Contract	19% Permanent
2022	55% Contract	45% Permanent
2023	60% Contract	40% Permanent
2024	72% Contract	28% Permanent
2025	71% Contract*	29% Permanent

These figures illustrate the percentage breakdown between contract and permanent placements, highlighting that an increase in permanent placements often signifies renewed confidence in the market.

A noticeable example is the trend during the Covid years of 2022 and 2023, where we witnessed a substantial surge in permanent vacancies driven by heightened confidence and SAP partners expanding their practices in preparation for the looming 2027 deadline and appetite for work. 2024 and Q1 of FY 24/25 saw a more normalised split however what is significant is that levels are higher than pre-Covid, which indicates there is still pockets of confidence, even if projects are slow to materialise.

Skillsets in Demand

SuccessFactors ECP

SuccessFactors Testing & Data Migration

Supply Chain Management

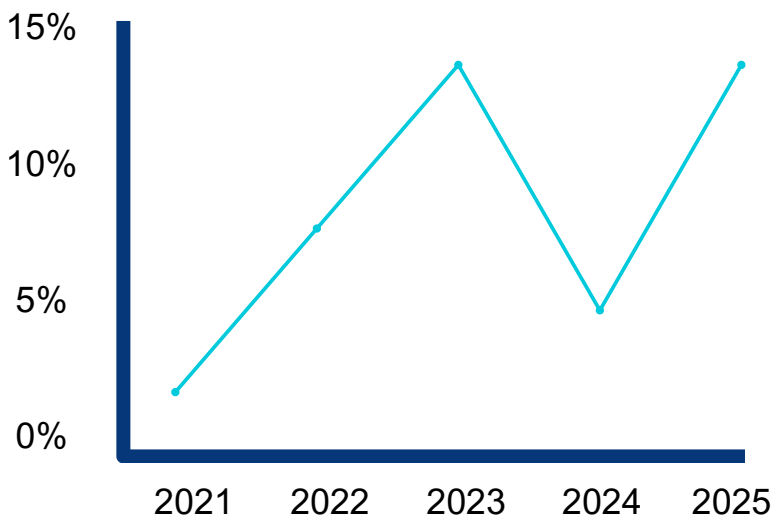
Job Titles in Demand

SAP Solution Architect

SAP Enterprise Architect

SAP Test Analyst/Data Analytics

Contracting Rates



19.7%

increase from
Q1 last year Jul-
Sep 23

12.8%

increase from
Q4 Apr-June

- This is the table we shared in the previous quarterly report. Since then the contracting rates have grown another 12.8%.
- This is largely due to hands on contracting niche requirements being hard to find and in demand.
- The senior market however would represent a decline as a lot more candidates are showing flexibility to secure work.
- Contracting rates seem to be back where they were after the huge dip.

Tips for Clients

- Loop your recruiter in with talent when they push back on using agencies - let us help you **build your case** with hard data and success stories.
- If you can **hire now** – do it. You have an opportunity to hire good talent and that might not be in the case in 6 months time.
- Businesses who are moving forward with their **plans for S/4HANA** are the businesses who will be at an **advantage** in terms of accessing the best talent on the market.
- Ensure you have a **well-defined hiring process** – this is key.
- Being able to make decisions quickly is an advantage to your brand.
- Make sure everyone is on the same page internally on requirements and all approvals are signed off before releasing a requirement.
- If a job needs doing but you don't have permanent headcount, then consider bringing on a **contractor** to address the problem short term.

Tips for Candidates

- Be patient and remain active.
- Consider short term and fixed term contracts – they can tide you over this quiet period.
- Stay true to **your core skill** – while it might seem like a good idea to broaden your search, most recruiters are engaged to find a **niche resource** and if you focus on a secondary skill you will be competing against people who have it as a core skill.
- Don't get greedy with rates or salaries – there is **a lot more competition for jobs currently** and costs are highly scrutinized.
- You will have competition in **interviews**, ensure you are as **prepared** as you can be.
- Be consistent with keeping your **LinkedIn** and **Resume updated**.
- **Partner with a recruiter** you trust and stay in touch with them.
- Be honest and transparent during each and every process.
- **Use your network** and reach out to previous colleagues.
- Show **flexibility** with working arrangements! 100% remote roles are becoming fewer and far between with clients putting an emphasis on collaboration and office presence.
- **Upskill** where you can – specifically areas in BTP and SAP Rise.



CONFIGURE IT
DONE

STAY AHEAD OF THE CURVE!

Check out the SAP focused podcast - Configure IT Done with Jay Wynter. This podcast is where thought leaders in the SAP space share their insight, methodology, learnings, and unique stories on how to successfully lead large scale SAP Programs.



Get in touch with the SAP team.
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