

Bring **clarity** to your **SAP** hiring strategy

Introduction

Q3 saw a return to confidence for CIOs of SAP enabled businesses, buoyed by a significant economic bounce back and huge improvements in remote working capabilities that have enabled SAP programme and BAU services to continue despite lockdown restrictions.

bluewaveSELECT's latest Quarterly SAP Resource Dashboard provides UKI SAP business leaders with up to date industry information to help make the right resource strategy decisions against the current backdrop of cost saving agendas and the fast-approaching deadlines of Brexit and IR35.

bluewaveSELECT is a niche client-side SAP resource partner and has placed over 4,000 professionals to build CoEs and deliver SAP-enabled business transformation programmes.

Key findings include:

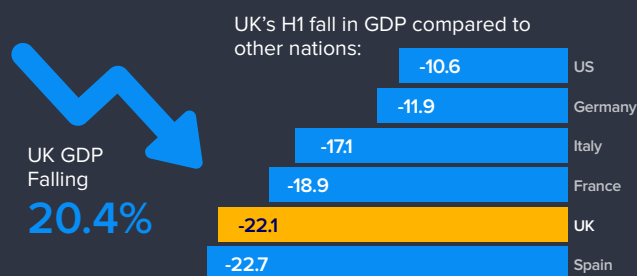
- Worst economic slump on record in Q2 followed by an immediate and substantial bounce back in Q3
- Quarter on Quarter SAP Jobs up by 44% (contract) and 35% (permanent). In SAP circles as projects regain momentum
- Despite the upturn in jobs, recruitment teams swamped with excess candidates applying with little or no relevant experience
- Perm salaries hold steady throughout pandemic while contract rates down 10-15%
- Demand for S/4 HANA skills continues to outstrip ECC almost 4:1 as SAP users look to the future
- Flexible workforce solutions reviewed as new IR35 deadline looms
- Overall return to positivity as growth predicted for Q4 and 2021

SAP Resource Dashboard: Q4 2020

UK PLC: Q3 Performance

Q2 starting point: unprecedented collapse

Positive news for Q3 after the UK economy suffered its biggest slump on record between Q1 and Q2 with GDP shrinking 20.4% (the worst performing economy of the G7 nations).

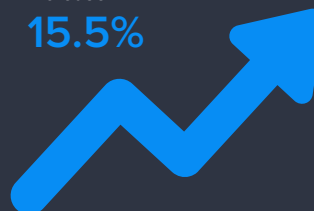


Source: Office for National Statistics, OECD

Q3 Bounce Back

UK GDP Q3 increase

15.5%



UK GDP is estimated to have grown by a record 15.5% in the third quarter, fuelling positivity.

Source: ONS

Financing the Q3 Bounce Back

£80bn

£30bn furlough for 9.3 million workers
£50bn in business loans

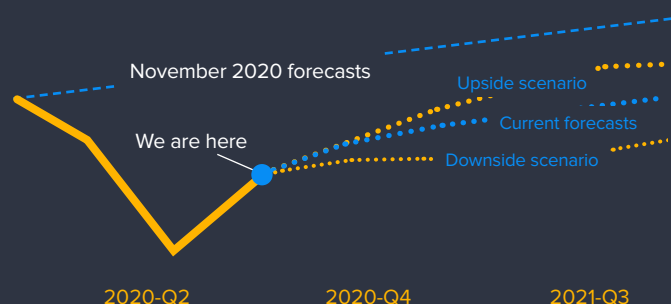
£2tn

£2tn+ government debt for the first time
Represents 100.5% of GDP

Source: ONS

A look forward to 2021

Growth predicted to continue throughout Q4 and in to 2021, albeit at a more modest rate. Current forecasts predict a return to pre-COVID output by end of 2021.



Source: OECD, September 2020

How the UK compares to the rest of the G20

Whilst all countries in the G20 apart from China suffered recession in 2019, the OECD expects a return to growth in 2021 for all members.

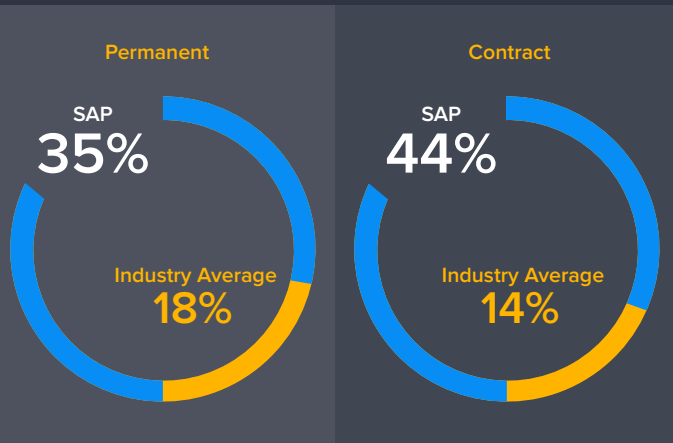
| Country | 2019 | 2020 | 2021-Q3 |
|----------------|------|-------|---------|
| Argentina | -2.1 | -11.2 | 3.2 |
| Australia | 1.8 | -4.1 | 2.5 |
| Brazil | 1.1 | -6.5 | 3.6 |
| Canada | 1.7 | -5.8 | 4 |
| China | 6.1 | 1.8 | 8 |
| France | 1.5 | -9.5 | 5.8 |
| Germany | 0.6 | -5.4 | 4.6 |
| India | 4.2 | -10.2 | 10.7 |
| Indonesia | 5.0 | -3.3 | 5.3 |
| Italy | 0.3 | -10.5 | 5.4 |
| Japan | 0.7 | -5.8 | 1.5 |
| Korea | 2.0 | -1.0 | 3.1 |
| Mexico | -0.3 | -10.2 | 3.0 |
| Russia | 1.4 | -7.3 | 5.0 |
| Saudi Arabia | 0.4 | -6.8 | 3.2 |
| South Africa | 0.1 | -11.5 | 1.4 |
| Turkey | 0.9 | -2.9 | 3.9 |
| United Kingdom | 1.5 | -10.1 | 7.6 |
| United States | 2.2 | -3.8 | 4.0 |
| World | 2.6 | -4.5 | 5.0 |
| Euro area | 1.3 | -7.9 | 5.1 |
| G20 | 2.9 | -4.1 | 5.7 |

SAP Industry News

Ongoing data compiled in realtime from over 1,000 SAP vacancies since May 2018

Q2 > Q3

Return to hiring: Q3 growth in SAP-related jobs significantly outperformed the wider IT sector.



Passive candidates are more reluctant to move given the uncertainties in the market.

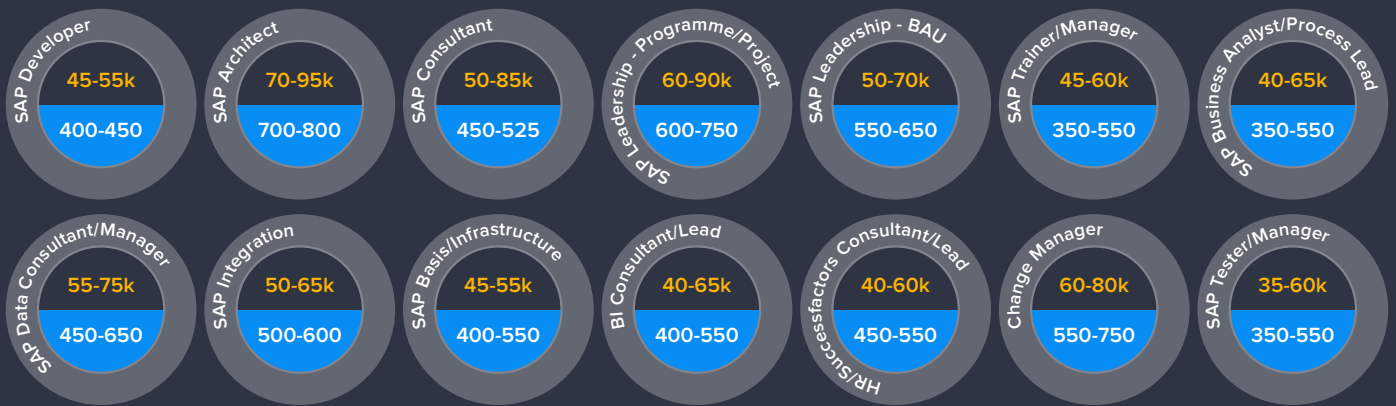
More candidates than ever before applying to roles with fewer or even no relevant experience.

UKI Contractor Rates

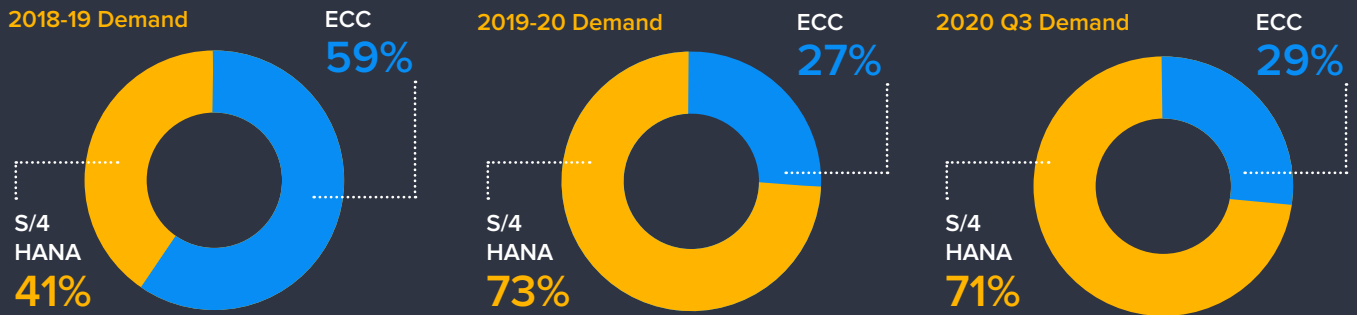
Down 10-15%

SAP contactors open to 10-15% lower rates. Significant cost saving opportunity for SAP users.

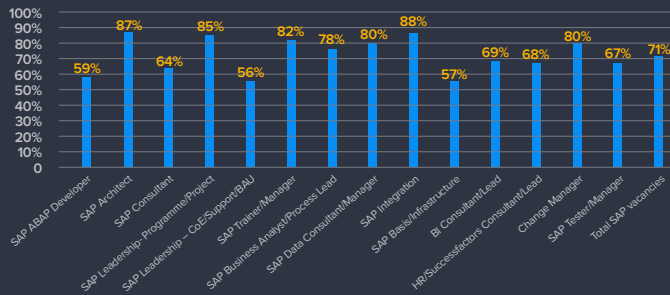
Average salary/contract range by job category (updated for Q4) ○ Permanent ● Contract



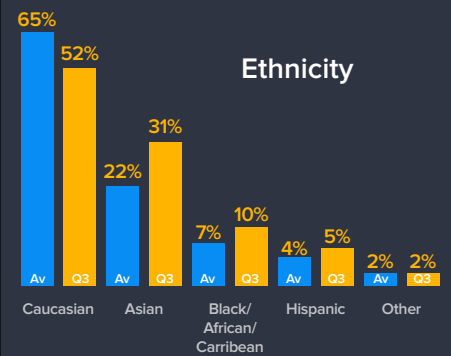
YoY increase in demand for S/4 HANA skills



Percentage S/4 HANA skills demand by job category



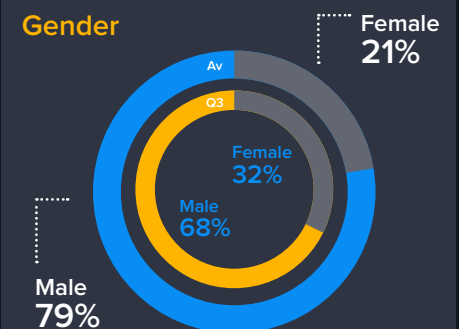
Diversity



bluewaveSELECT Q3 performance metrics



Gender



IR35 update



Whilst the pandemic continues to dominate the headlines the new IR35 deadline, like Brexit, is fast approaching under the radar. After the Public Sector IR35 rollout in 2017, 51% of hiring managers struggled with project delays. Here's how to take full advantage of lessons learnt and avoid the same happening to your own programmes in 2021.

'Inside' IR35?

Don't Worry, We Can Still Find SAP Experts

If you're currently employing PSC SAP contractors and won't be able to do so after 6 April 2021, we'll help you convert to a PAYE model and find talent 'inside' IR35.



'Outside' IR35?

A Cost-Neutral Solution for SAP Customers

If staying 'outside' IR35 is still an option? Click the button below for your options on how to ensure full compliance with HRMC guidelines.



Navigate IR35

With our Statement of Work (SoW) Model

The silver bullet for IR35 compliance. As well as providing interim SAP resources on an outcome-based agreement rather than a traditional 'bums on seats' agency model, it also places a 'firewall' between the contracted workforce and the end-client, entirely removing any potential risk of IR35 non-compliance.



Pay less for better **SAP** resources

Part driven by IR35, part by natural evolution, bluewave now provides flexible SAP resources through Statements of Work, disrupting the traditional SI model and giving SAP Users access to industry leading SAP professionals at more reasonable prices.

As a result, CIOs can now save £millions per annum on SAP project and BAU costs depending on which resourcing model they chose. To illustrate the cost saving opportunities, below is a price comparison between bluewave's rate card and that of a well-known Tier 1 consultancy.

| | GBP Day Rate | | Cost saving (%) | | Annualised saving per resource (£)* |
|---------------------------|--------------------|------------------|-----------------|--------------------|-------------------------------------|
| | Tier 1 consultancy | bluewave CONSULT | 0% | 50% | |
| Senior Programme Director | 3,155 | 2,125 | bluewave 33% | Tier 1 consultancy | £267,904 |
| Programme Director | 2,430 | 1,500 | bluewave 38% | Tier 1 consultancy | £241,800 |
| Programme Manager | 1,963 | 1,125 | bluewave 43% | Tier 1 consultancy | £217,854 |
| Delivery Lead | 1,963 | 1,000 | bluewave 49% | Tier 1 consultancy | £250,354 |
| Senior Project Manager | 1,713 | 875 | bluewave 49% | Tier 1 consultancy | £217,802 |
| Project Manager | 1,461 | 750 | bluewave 49% | Tier 1 consultancy | £184,782 |
| Senior Architect | 1,963 | 1,125 | bluewave 43% | Tier 1 consultancy | £217,854 |
| Technical Architect | 1,461 | 1,000 | bluewave 32% | Tier 1 consultancy | £119,782 |
| Solution Specialist | 1,123 | 750 | bluewave 33% | Tier 1 consultancy | £97,032 |
| Senior Developer | 749 | 625 | bw 17% | Tier 1 consultancy | £32,188 |
| Developer | 632 | 500 | bw 21% | Tier 1 consultancy | £34,268 |
| Senior Tester | 749 | 625 | bw 17% | Tier 1 consultancy | £32,188 |
| Tester | 632 | 500 | bw 21% | Tier 1 consultancy | £34,268 |
| Business Analyst | 913 | 688 | bw 25% | Tier 1 consultancy | £58,526 |

Fees for Ireland are the same € equivalent. *based on 52 weeks engagement.

Annualised savings



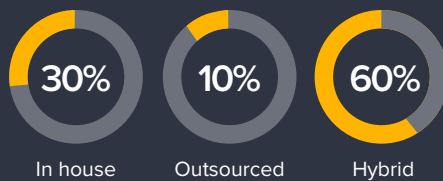
Total like-for-like savings

Annualised savings



Saving per Solution Specialist

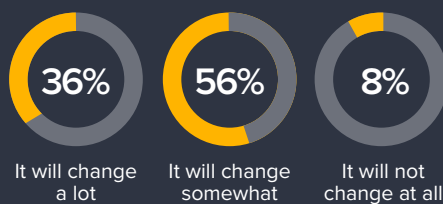
How would you best describe your organisation's SAP skills model?



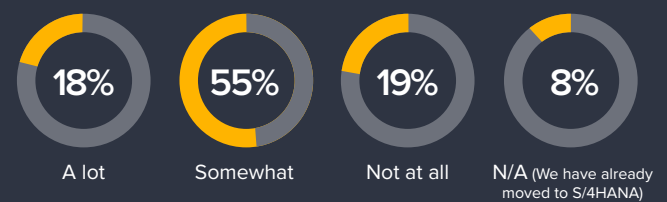
In November 2020 the UK&I SAP User Group (sapusers.org) published an SAP skills white paper in which it surveyed 188 SAP leaders. Key takeaways show that 90% of CIO's manage their SAP environments either in house or by using a hybrid model which enables them to maintain a low-cost permanent team to deliver most core business needs whilst having the freedom to use traditional SIs or businesses like bluewave to quickly ramp up with flexible SAP resources where needed.

In addition, 82% of SAP leaders see the skills makeup of their teams changing over the next three years, largely driven by digitalisation and the evolution of S/4 HANA, and 73% also show concern that availability of new SAP skills will hamper their future projects. Making use of a tried and tested flexible workforce via IR35-friendly Statements of Work contracts will be a popular way to meet the skills shortfall.

To what extent do you think the make up of SAP skills in your organisation will change over the next three years?



To what extent are you concerned that a lack of available skills will impact the speed your organisation moved to SAP S/4HANA?



🌀 Cut down the cost of SAP programmes

🌀 Ensure the highest quality of service

🌀 Gain access to the very best SAP people

🌀 Future-proof your supply chain

🌀 Fully offload project delivery

🌀 Eliminate the risk of IR35 non-compliance