Sapphire 2026 Decoded

What SAP's Autonomous Enterprise Means for Azure Customers

SAP SAPPHIRE ORLANDO 2026 | ASUG Webinar | Microsoft + SAP

Agentic AI + Copilot

Unified Data Foundation

Cloud + Sovereign Scale

Shaila Malyala, SAP Global Black Belt, Microsoft

SAP on Azure Product Announcements Summary – SAP Sapphire 2026 | Microsoft Community Hub
Advancing enterprise AI: New SAP on Azure announcements from SAP Sapphire 2026 | Microsoft Azure Blog

Agenda

SAP Sapphire Orlando 2026 | What the Autonomous Enterprise Means for Azure Customers

01 **The Autonomous Enterprise**
The big shift and the three pillars

02 **Enterprise AI: Copilot + Joule**
Agent-to-agent integration in action

03 **The Joint Architecture**
How SAP + Microsoft map together

04 **Azure, Data + RISE**
Fabric, Business Data Cloud, and migration

05 **Microsoft IQ**
The shared intelligence layer, and A2A in action

06 **Proof & Compliance**
Sovereign cloud, customer results, and why context wins

07 **Takeaways & Next Steps**
Five strategic shifts and what to do next

08 **Sapphire Decoded**
Everything announced, and the market's read

APPENDIX Deep dives: AI + Governance, Microsoft IQ architecture, Cloud Acceleration Factory & RISE

Microsoft + SAP Partnership

Expanded AI-First Announcement | Autonomous Enterprise Vision

AI-First Partnership

Azure positioned as the foundation for SAP's "Autonomous Enterprise" vision, transforming enterprise operations through AI

AI + Governance

AI woven directly into business processes with enterprise-grade data protection and governance built in

Agentic Workflows

AI agents operating across business workflows, evolving ERP from system of record to system of action

KEY TAKEAWAY ERP is evolving from a system of record to a system of action - powered by AI-executed workflows across both platforms

Official Microsoft + SAP Announcement

Partnership Details | Enterprise AI | Copilot + Joule

AI-First Partnership

Expanded partnership focused on enterprise transformation via AI on Azure

Azure as foundation for SAP's "Autonomous Enterprise" vision

AI embedded into business processes with enterprise-grade governance

Enterprise AI

SAP introduced 50+ Joule assistants and 200+ AI agents across business processes

Azure enabling continuous learning and real-time decision execution

Microsoft aligned Azure as the platform enabling AI agents at enterprise scale

Copilot + Joule

Agent-to-agent integration between Microsoft 365 Copilot and SAP Joule

Start in Teams/Outlook → trigger SAP workflows → complete processes without app switching

Most significant AI announcement at the event

200+ AI agents across business processes

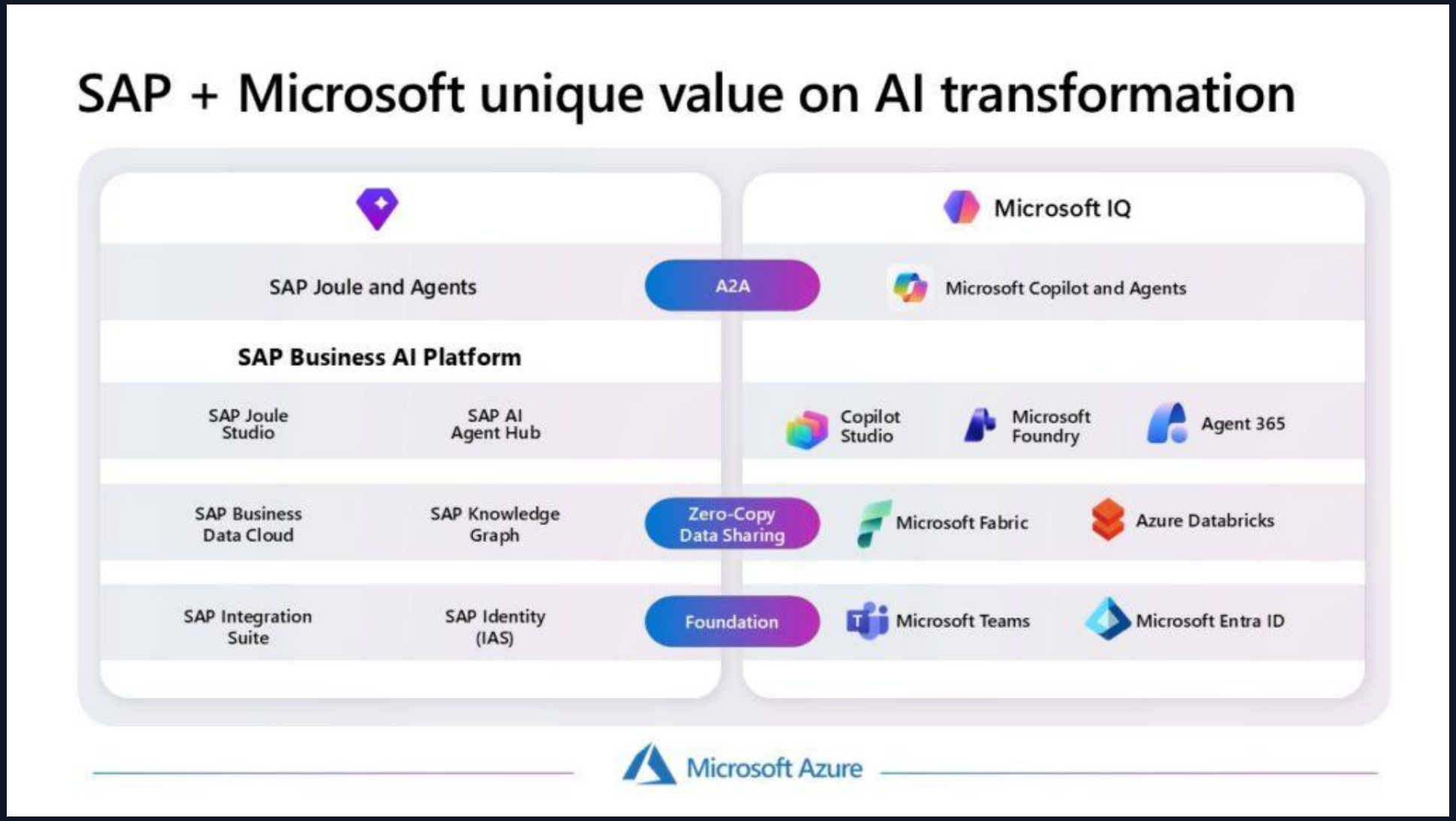
50+ Joule assistants launched

€100M partner funds

CROSS-PLATFORM Copilot + Joule integration

The Joint Value Architecture

How SAP and Microsoft map across AI, data, and identity



Microsoft Stack at Sapphire

Azure as Reference Enterprise AI Architecture

EXPERIENCE
Microsoft 365 Copilot - entry point for users

AGENTS
SAP Joule + AI agents across business workflows

DATA
SAP Business Data Cloud + Microsoft Fabric

PLATFORM
Microsoft Azure - cloud infrastructure and AI services

SECURITY
Microsoft Sentinel + Microsoft Entra

Official Microsoft + SAP Announcement

Azure Platform | Data Integration | RISE with SAP

Azure AI Platform

AI-first hyperscaler for SAP workloads with Azure OpenAI integration

Platform for agentic AI and enterprise intelligence

Copilot stack + enterprise data and security services

Data Integration

SAP Business Data Cloud + Microsoft Fabric shared data foundation

Real-time analytics across SAP and non-SAP data with reduced ETL

Unified AI reasoning layer eliminating data duplication

RISE with SAP

Global Azure acceleration program expanding - more than doubling customer intake

Faster S/4HANA migration with joint engineering support

Improved onboarding, scale, and sovereign cloud support

AZURE OPENAI Integrated AI reasoning

FABRIC Unified data across SAP + non-SAP

35%+ Migration effort reduction

Agentic Intelligence- Microsoft IQ & Frontier Transformation

The Shared Intelligence Layer Powering Enterprise AI

How People Work

- Microsoft 365 collaboration signals - emails, meetings, documents, Teams activity
- Work patterns and relationships surfaced through the Microsoft Graph
- Persistent work memory tracking context across tasks and projects
- Entity resolution connecting mentions across systems to real business objects

How Business Operates

- SAP ERP and business process data - finance, supply chain, procurement, HR
- SAP Knowledge Graph with 452,000 tables and 7.3M semantic fields
- Real-time operational data from SAP Business Data Cloud
- Business rules, compliance controls, and governance frameworks

How Knowledge Is Activated

- AI reasoning through Azure OpenAI and SAP Domain Models
- Continuous learning from enterprise interactions and outcomes
- Intelligent agents executing across both Microsoft and SAP environments
- Microsoft IQ API enabling custom agents grounded in live work context

Copilot ↔ Joule: Agent-to-Agent Integration

Putting Enterprise AI into Production

MICROSOFT 365
Copilot | Teams | Outlook
Users ask @Joule from any M365 surface

→

TRUST LAYER
Entra ID ↔ SAP Cloud Identity
Secure bi-directional A2A routing

→

SAP ECOSYSTEM
Joule | S/4HANA | SuccessFactors
Joule processes SAP-specific queries

HR SELF-SERVICE

Leave Balance

"@Joule What is my remaining leave balance?"

- Routed to SAP SuccessFactors
- Real-time employee data via Copilot
- Covers 80M+ SuccessFactors users globally

PROCUREMENT

Delivery Tracking

"@Joule Delivery date for PO 4500005674?"

- Answered from S/4HANA Cloud
- Live purchase order status
- Spans Ariba + S/4 procurement data

FINANCE

Invoice Status

"@Joule Status of invoice 4500001234?"

- Real-time SAP financial data in Teams
- Cross-checks AR aging + payment terms
- Supports 87% of global transactions on SAP

SUPPLY CHAIN

Delay Intelligence

"Find Teams chats about delivery delays to plant 2300"

- Joule retrieves M365 context
- Correlates communications with SAP logistics data
- Surfaces related documents + emails

SALES

Payment Alerts

"Find all emails about late payments from Vendor ACME"

- Cross-platform intelligence
- Links M365 emails to SAP customer records
- Enables proactive account management

Official Microsoft + SAP Announcement

Sovereign Cloud | Enterprise Compliance



Sovereign Cloud

Microsoft + SAP announced expanded sovereign cloud solutions for regulated industries and data residency requirements



Enterprise Compliance

Designed for organizations with strict regulatory, data residency, and compliance needs across global operations

IMPLICATION ERP is evolving from system of record → system of action through AI-executed workflows

Customer Proof Points

Real-World Results from the Microsoft + SAP Partnership

KONE

AI + Automation

- AI contract processing on Power Platform integrated with SAP
- 54,000+ contracts/year
- ~33% reduction in handling time
- 3,000+ citizen developers supported

AI

MAIRE Group

Security

- Microsoft Sentinel for SAP security monitoring
- 50+ active detection rules
- Proactive AI-driven threat detection across 50 countries
- 10,000+ employees protected

Security

Maersk

Migration

- 500 SAP servers migrated to Azure in 6 months
- 1 petabyte of data, near-100% uptime
- Azure OpenAI for natural language SAP queries
- Zero post-migration incidents

Migration

Cenibra

Identity Governance

- Replaced SAP IdM with Microsoft Entra ID Governance
- 80+ systems integrated
- 46% operational gain in Wave 1
- 60–70% manual IAM effort reduction projected

Governance

Frontier Transformation

From AI Experimentation to Enterprise-Scale Impact

THE ENTERPRISE AI GAP

80% accuracy is not enough for mission-critical business processes - AI must deliver compliant, secure outcomes grounded in real business context

SAP CEO Christian Klein, SAP Sapphire 2026 | Stanford AI survey: near-universal AI adoption, limited business return

Why Generic AI Falls Short

- LLMs trained on public data lack awareness of operational rules, regulatory requirements, and enterprise workflows
- Previous automation waves failed because they operated in silos, disconnected from actual business logic and process interdependencies
- Enterprise AI agents fail most often not on reasoning, but on context - incomplete or semantically hollow data produces outputs that are accurate in isolation but wrong in business terms
- SAP processes power 87% of global commerce - AI operating on SAP data requires domain-specific semantic grounding, not generic pattern matching
- The structural gap: above the waterline, LLMs improve; below it lies what enterprises need - mission-critical data, end-to-end processes, and governance frameworks

The Microsoft-SAP Advantage

- 3+ decades of co-engineering - the deepest hyperscaler-ERP integration in the market, now centered on a shared AI vision
- SAP Knowledge Graph encodes 452,000 tables and 7.3M semantic fields - structured map of entities, processes, and relationships across every SAP landscape
- Microsoft IQ connects work signals (M365 Graph), business operations (SAP ERP), and knowledge activation (Azure OpenAI) into unified agent context
- SAP Business Data Cloud expanding from 8 to 13 Azure regions by end-2026 - bi-directional zero-copy delta sharing with Microsoft Fabric
- Microsoft IQ API entering public preview - developers build custom agents grounded in live work context from both ecosystems

Strategic Takeaways

From dashboards → decisions | AI agents → execution

1

Co-Execution

From integration to joint platform execution

2

Copilot as Front Door

Users interact with SAP through Microsoft 365

3

Azure Default AI

Infrastructure + AI + data + security unified

4

Unified Stack

Data + AI as the key differentiator

5

Agentic AI

Agents execute workflows across platforms

SAP = business context

Microsoft = intelligence + productivity layer

Strategic Takeaways

SAP Sapphire Orlando 2026

Microsoft + SAP are building a joint enterprise AI platform

Copilot + Joule
Unified AI interface

Fabric + SAP Business Data Cloud
Unified data layer

Azure
Execution platform

THE END GOAL An Autonomous Enterprise where AI agents don’t just assist - but run business processes end-to-end

SAP Sapphire 2026 — Key Announcements & Reactions

Orlando May 11–13 · Madrid May 19–21 · 'The Beginning of Better' · CEO Christian Klein: SAP is becoming a business AI company

200+ AI Agents	50+ Joule Assistants	26 Industries	€100M Partner Fund	35%+ Migration Effort Reduction

Top Announcements (per SAP & official press)

- **Autonomous Enterprise** — new vision; "people set direction, AI executes"
- **SAP Business AI Platform** — unifies BTP + Business Data Cloud + AI Foundation
- **SAP Knowledge Graph** — 452K tables / 7.3M fields encoded as semantics
- **Joule Work** — NL front door across S/4HANA, SuccessFactors, Ariba, Concur, BTP (mobile GA; desktop H2 2026)
- **SAP Autonomous Suite** — 200+ agents, 50+ assistants across Finance, Spend, Supply Chain, HCM, CX
- **Joule Studio 2.0** — GA; agent runtime free through Dec 31, 2026
- **SAP AI Agent Hub** — Q3 2026; 680+ partner agent submissions
- **Industry AI** — 26 verticals (Life Sciences, Retail, Mfg, Oil & Gas, Financial Services…)
- **Anthropic Claude** — primary reasoning model across Joule
- **€1B+ Prior Labs investment** (tabular foundation models); Dremio acquisition intent (Q3 2026 close, Lakehouse)
- **n8n partnership + equity stake** (~$5.2B valuation); MCP server in BDC + Reltio
- **Partner stack**: Microsoft, Google Cloud, AWS, NVIDIA, Mistral, Cohere, Palantir
- **€100M Partner AI Fund**; agent-led migration tooling (>35% effort reduction)

Analyst & Market Reactions

- **Forrester (F. Medhora):** "Credible vision, real concentration risk" — Claude anchor creates board-level concentration risk in regulated industries within 24 months; vision credible, execution partial; most of 224 agents/51 assistants in mixed GA/early-adopter/preview.
- **Nanonets:** "Most AI-dense keynote in SAP's history" — Knowledge Graph is the most underappreciated announcement; ABAP code-conversion agent's 40% efficiency is the only hard, public metric.
- **Bowdark (J. Wood):** SAP Business AI Platform is "a strategic packaging exercise" — BTP + BDC + AI Foundation re-bundled, not new.
- **UpperEdge:** New API policy (just before Sapphire) has generated significant backlash; restricts internal/private API use and third-party agent access; puts customer integration investments and AI plans at risk.
- **iTWire / Klein:** "80% accuracy isn't going to cut it" — diff vs. public LLMs is governed business context.
- **Market:** Stock ~28–32% down YTD, ~41% off July 2025 peak; analysts hold Buy ratings but reframe AI as "an adoption topic, not a revenue driver yet."
- **Customer credibility on stage:** JPMorganChase (GL migration), H&M (Store Intelligence Agent), Bayer, Novartis, Takeda, Ericsson, ExxonMobil.

What It Means for Azure Customers

- **Microsoft Fabric Connect — GA:** SAP data flows natively into Fabric, zero-copy (announced on stage).
- **Bidirectional Agent-to-Agent (A2A) protocol** with Microsoft + Google Cloud — GA Q4 2026.
- **Review SAP API & data policy changes (2026):** Check any custom or private API and connector dependencies early — they can affect your integration and AI plans.
- **Tie migration to AI value:** Accelerated S/4HANA on Azure with AI-led migration tooling (35%+ effort reduction) and embedded engineering support.
- **Microsoft + SAP "Frontier Transformation":** joint Sapphire positioning around finance ops, AI prioritization, and accelerated S/4HANA on Azure.
- **Start where value is immediate:** Copilot + Joule A2A, Sentinel for SAP security, and Fabric for unified analytics.
- **Multi-model by design:** SAP's Claude option sits alongside Azure OpenAI; the Azure platform, data,

SAP Blog — Top 5 (sap.com/blogs/top-5-sapphire-2026-ai-announcements)

1. **The Autonomous Enterprise** — People set direction; AI executes governed, end-to-end.
2. **Joule Work** — One place to direct the entire business; intent-driven, not app-driven.
3. **SAP Autonomous Suite** — Assistants + agents carry whole processes from start to finish.
4. **Industry AI** — Built around how specific industries actually operate.
5. **SAP Business AI Platform** — Foundation that connects data, apps, and AI with governance.

Bonus: **Agent-led transformation** (Joule Agents + Assistants) — reduces migration effort.

Sources: sap.com/blogs/top-5-sapphire-2026-ai-announcements · SAP Community announcements blog · Forrester · Nanonets · ERP Today · iTWire · UpperEdge · Bowdark · SAP Financial Analyst Conference (May 13, 2026) · Microsoft SAP Eng & Sales Leadership Interlock notes (Apr 30, 2026) · Microsoft + SAP Frontier Transformation narrative · FY26 SAP Community Call (May 2026)

Questions & Discussion

Microsoft + SAP | Sapphire 2026

Additional detail available in the Appendix

APPENDIX

Partnership Deep Dives

Deeper technical detail for follow-up — governance, the Microsoft IQ architecture, and cloud acceleration

AI + Governance

Microsoft IQ

Cloud Acceleration

AI + Governance

Appendix | Enterprise-Grade AI with Built-In Compliance and Control



SAP Business AI Platform

- Unifies SAP BTP, Business Data Cloud, and AI Foundation into a single governed environment
- SAP Knowledge Graph encodes 452,000 SAP tables and 7.3 million semantic data fields
- SAP Domain Models trained on proprietary SAP code, data, and metadata
- Provides enterprise business context directly into AI agent reasoning



AI Agent Hub

- Vendor-agnostic governance layer for managing SAP and third-party AI agents
- Central command center to discover, inventory, and manage all enterprise agents
- Ensures AI operates within compliance, regulatory, and security guardrails
- Addresses enterprise concerns about agent sprawl and uncontrolled automation



Sovereign AI

- Expanded sovereign cloud options on Azure for regulated industries
- Available in Australia, Canada, India, Europe, and the UK
- On-premise SAP ECC customers can access AI capabilities through RISE commitment
- Data residency, regulatory compliance, and security built into every layer

Microsoft IQ: Enterprise Intelligence Architecture

Appendix | The Shared Intelligence Layer Powering Enterprise AI

WORK IQ Microsoft 365 | Microsoft Graph | Work Memory

How People Work - captures collaboration signals from emails, meetings, Teams chats, documents, calendars, and organizational relationships

- Personalized memory tracks user preferences, workflows, and interaction patterns - enabling AI that understands your work chart, not just your org chart
- Entity resolution connects “the client” mentioned in an email to a specific account in your CRM - bridging unstructured collaboration with structured records
- Work IQ APIs (public preview) let developers build custom agents with user-context awareness across the full M365 ecosystem

FABRIC IQ Microsoft Fabric | OneLake | Power BI

How Business Operates - injects business meaning into enterprise data through ontologies, semantic models, and a graph engine for multi-hop reasoning

- SAP Business Data Cloud expanding from 8 to 13 Azure regions by end-2026 - bi-directional zero-copy delta sharing with Fabric via OneLake
- Transforms raw datasets into entities, relationships, metrics, and operational context - agents reason over trusted, governed business data, not isolated tables
- SAP Knowledge Graph with 452,000 tables and 7.3M semantic fields feeds into Fabric IQ - the deepest ERP data context available to any intelligence layer

FOUNDRY IQ Azure AI Foundry | Azure AI Search | Microsoft Purview

How Knowledge Is Activated - unified retrieval and grounding engine connecting agents to permission-aware knowledge across all enterprise sources

- Azure OpenAI and SAP Domain Models provide AI reasoning - combining LLM capabilities with SAP-specific models trained on proprietary code, data, and metadata
- Multi-source iterative search with Microsoft Purview governance - enforces security labels and sensitivity controls at query time for compliant agent operations
- Microsoft IQ API entering public preview - developers build custom agents grounded in live work context spanning both Microsoft and SAP ecosystems

MICROSOFT IQ = Work IQ + Fabric IQ + Foundry IQ - The unified intelligence layer for the Agentic Enterprise

Cloud Acceleration Factory & RISE

Appendix | Accelerating SAP Modernization on Azure

Cloud Acceleration Factory

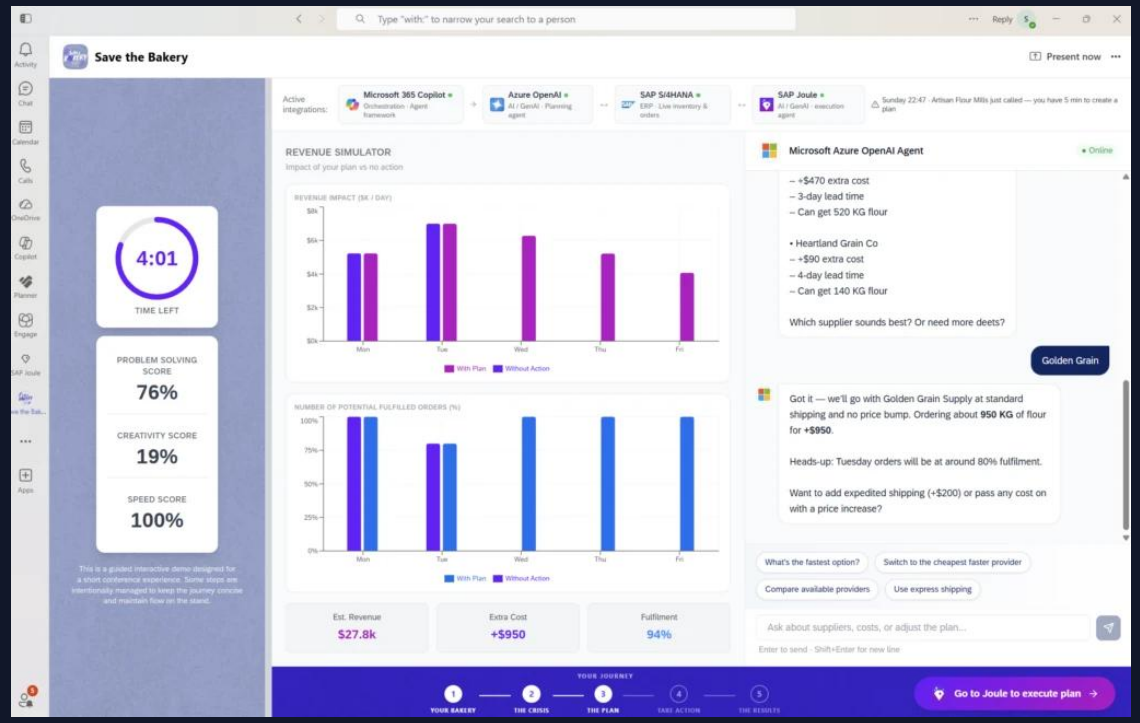
- Expanded innovation hub for SAP on Azure - driving AI-first modernization at scale
- Provides prescriptive guidance, proven architecture patterns, and security principles
- Dedicated Microsoft engineering resources embedded in customer migration journeys
- Streamlined escalation paths across both Microsoft and SAP support organizations
- Pre-built reference architectures for common SAP-to-Azure migration scenarios

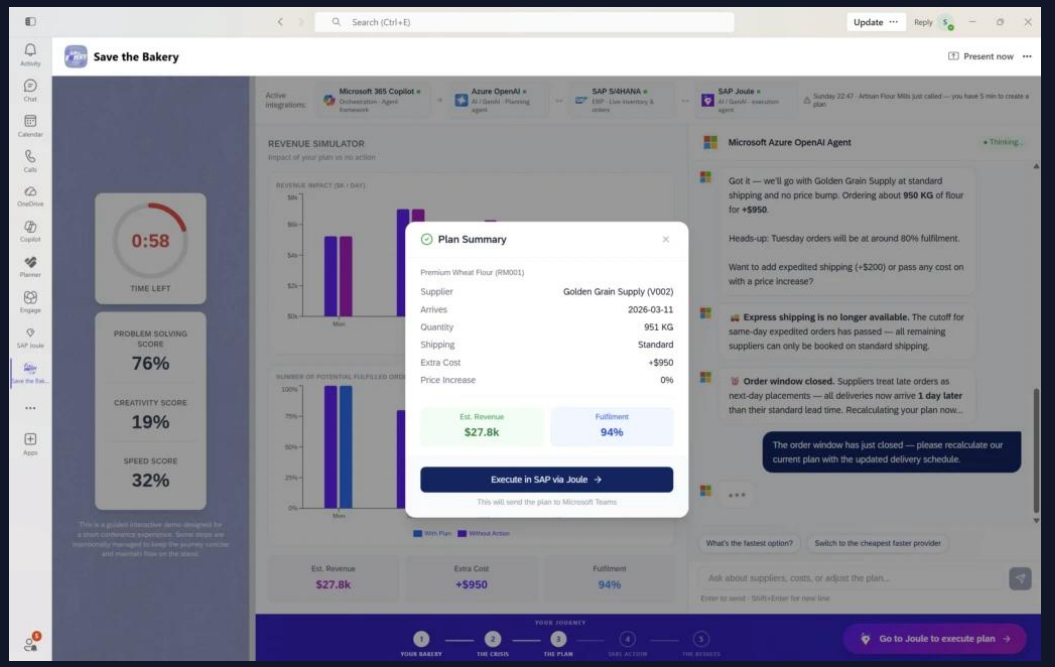
Global RISE Acceleration Program

- RISE with SAP on Azure more than doubling customer intake in 2026
- Closely tied up with Cloud Acceleration factory
- First cloud provider to enable SAP's 99.95% SLA option for SAP Cloud ERP Private
- Joint SAP and Microsoft expert teams aligned at every stage of the cloud journey
- AI-powered migration tooling reducing S/4HANA transformation effort by 35%+
- Customers like Hilti, Accenture, and Wolverine already on RISE with Azure

SAVE THE BAKERY: MICROSOFT'S AI IMMERSION EXPERIENCE

Interactive Microsoft + SAP AI Demonstration





Powered by Azure OpenAI | SAP Joule | SAP Cloud ERP | Copilot Studio | Power BI