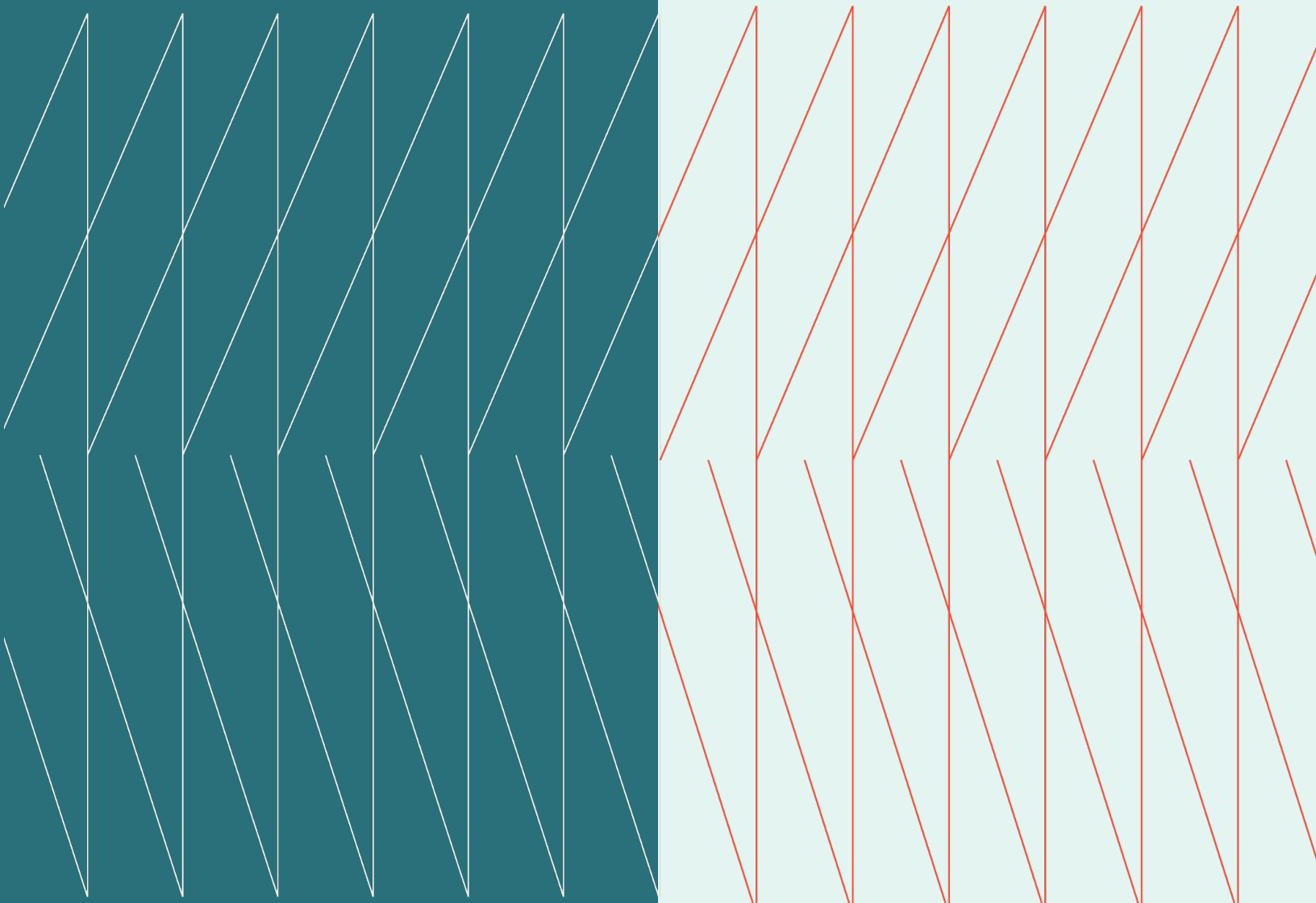


CIO  
Expert  
Exchange

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kyndryl.

Executive Summary



## Hosts:

### Karen Cheng

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## Overview

In this CIO peer exchange, industry leaders converged to discuss critical challenges and strategies in technology leadership. Participants shared insights on major ERP system transformation initiatives and approaches for improving AI literacy within organizations. The group identified organizational change management as a crucial element threading through both topics. Key discussions also focused on the business justification for significant IT investments, exploring alternatives for legacy ERP systems like third-party support, navigating the complexities of ERP modernization, and effectively driving AI adoption among employees.

## Expert exchange themes

- Navigating Major ERP System Modernization
- Cultivating AI Literacy and Driving Employee Adoption

## Navigating Major ERP System Modernization

**Many organizations face challenges justifying expensive, disruptive ERP transformations despite vendors nearing end-of-life deadlines, leading some to explore alternatives like third-party support.**

- Major ERP systems like SAP ECC and some JD Edwards systems are nearing end-of-life, but organizations struggle to justify major transformations due to unclear or absent financial ROI, viewing vendor end-of-support as pressure rather than a compelling business driver.
- Organizations with “defining events,” such as a business split or an infrastructure modernization strategy, find it easier to justify and execute large-scale ERP transformations than those without such catalysts.
- Successful major ERP transformations are often business-led initiatives, not merely IT projects. They require dedicated business process owners, strong governance, and significant resources from the business side to drive process change and standardization. One member shared that their approach also included a policy of no customization unless essential, with any requests requiring sign-off from the President.
- The transition requires significant dedicated teams from the business and IT for transformation, but results in fewer staff needed for ongoing maintenance, creating concerns among employees about future roles. Members discussed the ways that transformation partners can help manage staffing fluctuations.
- One participant noted that while they are modernizing other parts of their technology landscape, they view their current SAP instance more like a database, highlighting a selective modernization approach when a full transformation lacks internal appetite.

## Cultivating AI Literacy and Driving Employee Adoption

**Driving AI literacy and adoption requires getting employees hands-on experience with tools, sharing practical use cases, creating communities for peer learning, and clearly communicating how AI can enhance roles rather than displace jobs.**

- Organizations are approaching AI education and adoption from various angles, often relying on leveraging AI user groups and individual leaders to share how AI helps them in their roles and creates efficiencies.
- Encouraging hands-on experience is crucial for building AI literacy. Participants discussed initiatives ranging from providing licenses for tools like Copilot and GitHub Copilot to dedicating time for employees to experiment with AI on practical scenarios.
- Sharing practical use cases and personal stories helps demonstrate the value of AI tools. Examples in the discussion included detailed prompts and techniques for meeting minutes, summarizing content, editing documents, and drafting communications.

- Creating internal communities of practice or a digital insider group helps spread AI knowledge and use cases. These groups share experiences and test tools and promote AI benefits across the organization in ways that traditional training modalities do not.
- Participants emphasized the importance of IT leaders setting the tone of responsible use, along with specific data privacy policies and protocols at their organizations. Members shared that detailed policy guidelines employees can refer to have been an essential part of this education initiative.
- Addressing employee job concerns is crucial for successful AI adoption. Some participants are finding that employees can be resistant to using the tools to do tasks for fear that the tools will replace their jobs. To mitigate this, leaders are already proactively communicating about the benefits of AI freeing workers up to engage in higher-value tasks and complex work– framing it as an opportunity for growth. This reluctance is an important consideration as organizations begin to work with partners to implement AI tools, as engaging the partner with the ongoing OCM components of the implementation will be important to drive adoption.

**To learn more** about the Kyndryl Canada CIO/CTO Expert Exchange or to become a member of this community, please visit this [website](#).



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