Cloud ERP Migration as Strategic Catalyst

How Chief Information Officers Can Transform Their Organization Through ERP Modernization

A Successful SAP Modernization Requires a Human-Centric Transformation

Technology executives today face more pressure than ever to evaluate, adopt, and invest in new technologies and to protect their data against growing cyberattacks, all while continuing to prepare for the future, satisfy customer and stakeholder expectations, and establish their organizations as a digital-first enterprise. The key to success? A digital foundation built with modern SAP applications. To achieve this, each enterprise must develop a comprehensive modernization strategy that aligns with their business objectives and encompasses existing applications and data landscapes.

Modernizing an organization's SAP systems is complex, as the transformation often involves technical, business, and human challenges that can cause delays, disruptions, and increased costs if not properly managed.

At Kyndryl, we successfully transformed our IT systems in less than 18 months—including modernizing to SAP S/4HANA® and empowering 71,000 S/4 users—and achieved significant cost savings over time. Our biggest insight: We resisted the temptation to focus on this effort as an IT transformation; instead we embraced it as a business transformation—one that required human- and data-centric strategies to be successful.

Transitioning to SAP S/4HANA or RISE with SAP requires comprehensive planning, robust organizational change management, and strategic alignment across the C-suite. As highlighted in the following report, the role of chief information officers is pivotal in fostering collaboration across all lines of business, mitigating risks, and ensuring that every technical decision supports the business' objectives. This recipe is critical to achieving a seamless transformation that meets compliance, regulation, and ROI goals and positions an organization to leverage emerging technologies—like artificial intelligence (AI)—to their full potential.

Kyndryl advocates for a pragmatic, phased approach to SAP transformation—one that leverages the expertise of its robust partner ecosystem, while simultaneously addressing the human elements of change and adoption.

As the world's largest IT infrastructure services provider, adept in mission-critical environments, Kyndryl can deliver to organizations the end-to-end services and expertise needed to accelerate their IT transformations, modernize their SAP applications, and foster a culture of continuous improvement and cocreation—all in support of becoming a digital-first enterprise.

In association with Harvard Business Review Analytic Services, the following report offers practical guidance and insights from industry executives on how an organization can establish itself as a digital-first enterprise by successfully adopting modern, AI-powered cloud-based SAP solutions.

For more information, visit https://www.kyndryl.com/us/en/transform.

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Kyndryl

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As organizations confront SAP's deadline to transition from legacy ERP Central Component (ECC) systems to SAP S/4HANA cloud platforms, forward-thinking executives recognize this isn't merely a technical upgrade—it's a strategic inflection point that sets the stage for long-term enterprise growth and innovation. Chief information officers (CIOs) must play a pivotal role in aligning executive leadership, anchoring technical decisions in business strategy, and mitigating risks to reputation and compliance throughout the multiyear journey.

"Most organizations view the migration to SAP S/4HANA as an IT responsibility simply because SAP mandates it," says Marcus Frantz, chief digital transformation officer and executive board member at Zumtobel Group AG, an international lighting manufacturer headquartered in Dornbirn, Austria. "Instead, we reframed the migration as the cornerstone of our overall digital transformation strategy—a catalyst for business evolution rather than a technical requirement."

Companies in the top 20% of performance across key metrics not only achieve a high percentage of cloud ERP adoption but have also implemented strategic actions to further modernize their technology infrastructure and applications, according to a 2023 study by Aberdeen Group plc, a consultancy

based in Edinburgh. This modernization results in a host of benefits, including better visibility of inventory (68%), the ability to access and tailor reports in self-service capability (66%), and the expanding use of business intelligence (60%). FIGURE 1

Success demands a strategic, organization-wide approach to modernization that balances technical requirements and business objectives. "If you can operate your core as a standard and predictable platform, then you can focus on more innovation," says Kiran Varanasi, director, technology transformation, for Motiva Enterprises LLC, a major oil refiner headquartered in Houston. "And that's one of the fundamental guiding principles of our SAP S/4HANA migration—prioritize standardization in areas that don't

HIGHLIGHTS

While meeting the deadline is a key driver for many SAP S/4HANA migrations, forward-thinking organizations see the transformation as a **foundation for future innovation.**
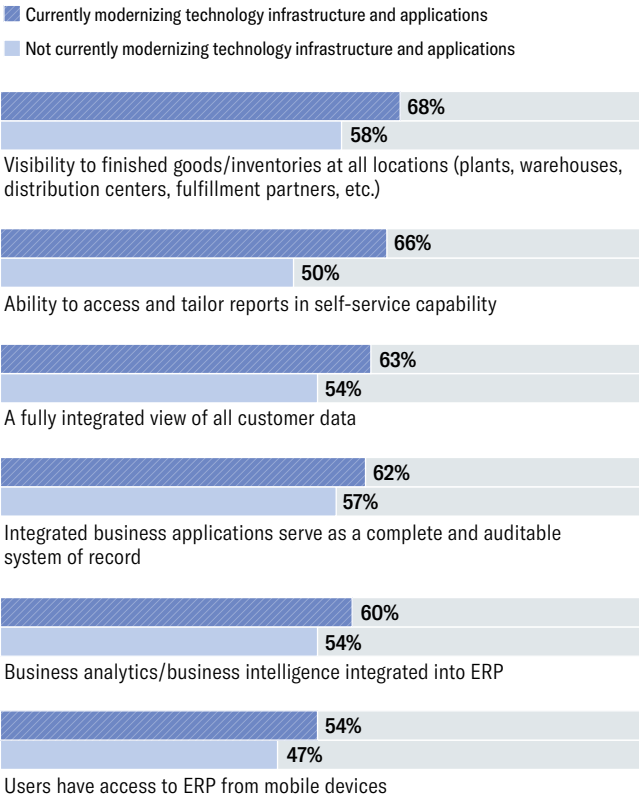
In the complex transition to SAP S/4HANA, chief information officers must simultaneously serve as **technologists, business strategists**, and **change agents.**

The **consequences** of delaying this modernization extend beyond missed innovation opportunities to **fundamental business agility.**

FIGURE 1

Payoff From ERP Modernization

Companies prioritizing modernization enjoy more visibility and agility

■ Currently modernizing technology infrastructure and applications

■ Not currently modernizing technology infrastructure and applications

68%
58%
Visibility to finished goods/inventories at all locations (plants, warehouses, distribution centers, fulfillment partners, etc.)

66%
50%
Ability to access and tailor reports in self-service capability

63%
54%
A fully integrated view of all customer data

62%
57%
Integrated business applications serve as a complete and auditable system of record

60%
54%
Business analytics/business intelligence integrated into ERP

54%
47%
Users have access to ERP from mobile devices

Source: Aberdeen Group survey, May 2023

provide a competitive advantage, which allows us to invest more in innovation that does create business value."

Effective change management is crucial for successful transformations, whether implementing SAP S/4HANA directly or through RISE with SAP's business transformation-as-a-service model, particularly when addressing resistance to new ways of working. "In finance, the mindset is often 'Never change a running system,'" says Gerd Kohlgruber, CEO of Tycom Digital Services GmbH, an IT services and consulting firm based in Schwaz, Austria. Rather than forcing adoption, Kohlgruber's team cultivated internal champions and developed specific rationales for each department to demonstrate how the new capabilities in SAP S/4HANA addressed their unique pain points.

This report examines how organizations are successfully navigating from ECC to SAP S/4HANA as a strategic business initiative rather than a technical migration. It reveals how

high-performing organizations are reframing this transition, selecting optimal migration approaches, building cross-functional alignment, mitigating business risks, managing organizational change, and leveraging the transformation as a foundation for long-term innovation and competitive advantage. The experiences of these organizations provide a valuable roadmap for executives facing this critical business transformation.

Strategic Catalyst, Not Technical Upgrade

Organizations looking at the SAP S/4HANA decision must first understand why they're undertaking this journey and what outcomes they aim to achieve.

KPIs play a critical role in guiding organizations through the SAP S/4HANA transition, as they help define the goals and measure the success of the transformation journey. "The KPIs may evolve over time during the transition to SAP S/4HANA, but there needs to be fundamental KPIs that should stay consistent based on your unique business strategy," says Omer Minkara, vice president and principal analyst at Aberdeen Group. "Is it to help improve processes? Is it a cost play? Is it to improve customer experience?"

These strategic KPIs typically include business outcomes like operational efficiency, customer satisfaction, and innovation readiness rather than purely technical metrics like system uptime or migration completion percentage. Minkara points to workforce productivity as a critical financial driver often overlooked in transformation initiatives. "If you can decrease labor costs by improving employee productivity through better data and innovation, that's a fantastic way to achieve savings," he says.

Most organizations (57%) cite the end of maintenance and support for core SAP ERP releases as their primary driver for moving to SAP S/4HANA, according to the SAPinsider Benchmark Report, a 2024 survey by SAPinsider, a Newton, Mass.-based community platform for professionals who work with

SAP systems. However, 39% view migration as an opportunity to reengineer processes to better fit operational needs or correct poor processes from previous implementations. FIGURE 2

Motiva's Varanasi connected SAP S/4HANA migration directly to one of the company's strategic pillars, namely the use of technology to strengthen the company's position in the marketplace. This strategic alignment ensured the initiative received the necessary resources, attention, and cross-functional support. "When you approach SAP S/4HANA as a business transformation program, it makes it relevant to every part of the business," he says. Such an approach can also help organizations maintain focus on business outcomes rather than technical specifications.

This focus on specific, measurable benefits aligns with the approach taken by successful organizations. "The overall business case for S/4 transformation rarely fits traditional payback period expectations," Zumtobel Group's Frantz says. "Our approach was to develop targeted business cases for each functional area, demonstrating how the transformation generates specific, measurable benefits across the organization—transforming what could be seen as a cost burden into a value-creation opportunity."

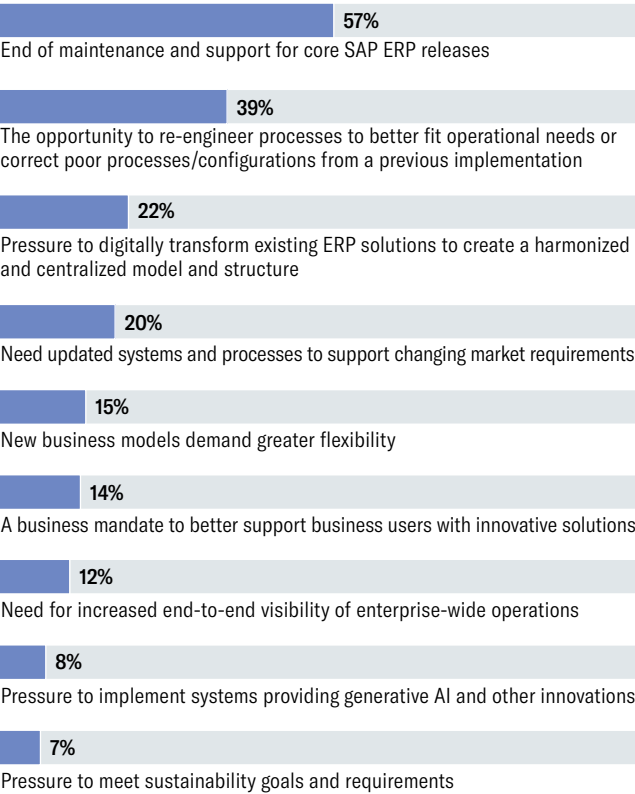## Migration Paths: Key Approaches Compared

Despite the approaching deadline, a large number of companies have not yet made the switch from ECC to SAP S/4HANA. But there continues to be movement in that direction. According to the SAPinsider Benchmark Report, only 21% of organizations are already using SAP S/4HANA. Another 20% are implementing it, and 19% are running proofs of concept or pilots. Only 9% have no plans yet, and just 5% do not plan to move to SAP S/4HANA at all.

One of the most critical decisions is selecting the right migration approach. The 2024 Pulse of SAP Customer Research report from the Americas SAP User Group, based in Chicago, reveals organizations are split between "brownfield"

FIGURE 2

Migration Drivers
End of maintenance and re-engineering processes top the reasons for SAP S/4HANA transition

Factors driving ERP strategy and SAP S/4HANA migration plans

57%
End of maintenance and support for core SAP ERP releases

39%
The opportunity to re-engineer processes to better fit operational needs or correct poor processes/configurations from a previous implementation

22%
Pressure to digitally transform existing ERP solutions to create a harmonized and centralized model and structure

20%
Need updated systems and processes to support changing market requirements

15%
New business models demand greater flexibility

14%
A business mandate to better support business users with innovative solutions

12%
Need for increased end-to-end visibility of enterprise-wide operations

8%
Pressure to implement systems providing generative AI and other innovations

7%
Pressure to meet sustainability goals and requirements

Source: SAPinsider, March 2024

migrations that preserve existing customizations (34%), "greenfield" implementations that start fresh with standard SAP functionality (33%), and hybrid approaches that incorporate elements of both (20%). Each approach carries significant implications for timeline, cost, risk, and potential business value.

"Smaller or less complex environments tend to be more prone for rip and replace," Aberdeen's Minkara says. "With more heavily regulated or complex environments, there's a good reason that [organizations] prefer a more phased approach."

Tycom favored a brownfield migration, dividing its transition into subprojects. First was a conversion to a new general ledger, a central repository for all financial data, followed by a conversion from a different system to SAP S/4HANA.
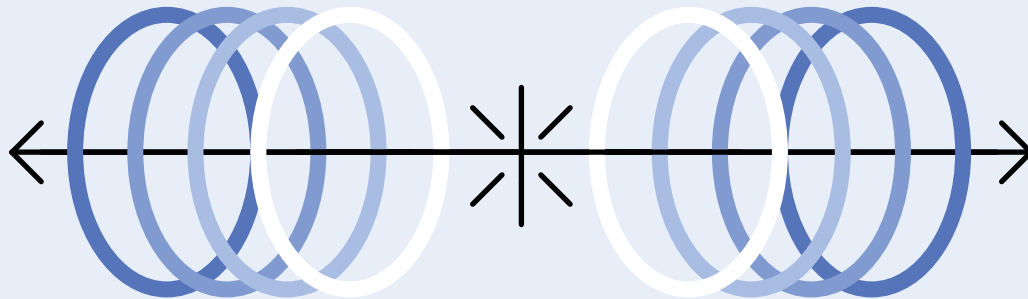
"Smaller or less complex environments tend to be more prone for rip and replace. With more heavily regulated or complex environments, there's a good reason that [organizations] prefer a more phased approach."

Omer Minkara, vice president and principal analyst,
Aberdeen Group

"By implementing the new general ledger first, we introduced many of the finance-related changes early," Tycom's Kohlgruber says. "Users got accustomed to multiple ledgers and other new features, so when the actual SAP S/4HANA migration happened, it wasn't such a dramatic change." This phased approach allowed Tycom to isolate and address potential issues incrementally.

In contrast, Motiva is pursuing a complete greenfield implementation to eliminate technical debt. "When we did the analysis, we had close to 65,000 custom objects (specific business requirements that are not covered by standard SAP functionalities) that we had no use for," Varanasi says. "If we had just chosen to upgrade ECC, we would be carrying all that technical debt with us." Motiva also adopted an innovative implementation approach, spreading the program over eight waves (applying the changes to specific company functions in each wave) during a three-year period.
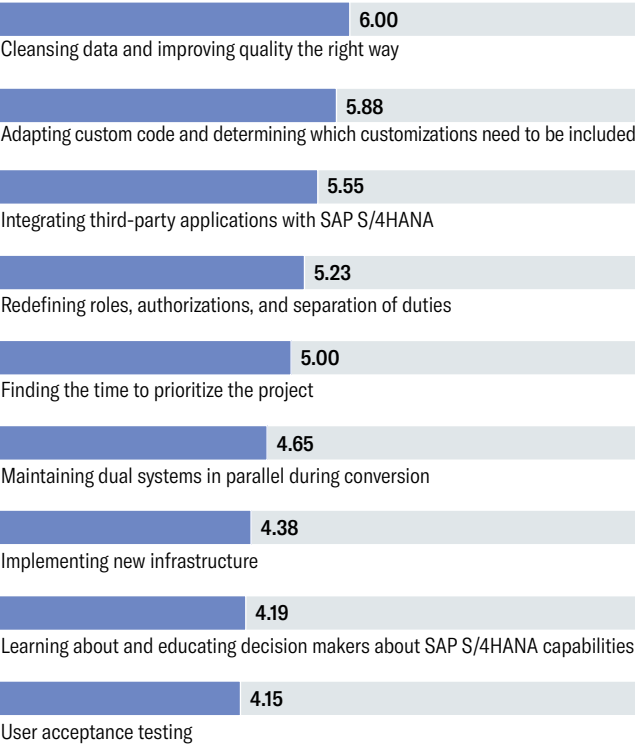
Bjarne Berg, an assistant professor of business information systems and operations management at the University of North Carolina, Charlotte, who wrote the first books about SAP S/4HANA transitions, highlights an emerging approach gaining traction by using a step-by-step transition. "You start by moving your settings and rules over from your current system, then choose which business function to migrate first," Berg explains. "For example, you might begin with basic accounting, set that up, transfer your financial data, and get it running. Then, over time, you gradually add other business areas like inventory, purchasing, or sales and distribution." While this approach requires maintaining multiple systems during the transition, many organizations find it less risky by taking smaller, more manageable steps.

Beyond these traditional migration approaches, SAP now offers RISE with SAP, a business transformation-as-a-service package that bundles SAP S/4HANA Cloud with tools, infrastructure, and support services. This subscription-based option aims to simplify cloud migration by providing a single contact and point of accountability. RISE with SAP represents an emerging approach that may be particularly relevant for companies seeking to accelerate

their cloud journey while minimizing internal technical complexity.

Minkara emphasizes the importance of a well-planned roadmap regardless of approach. "Having a roadmap, identifying the stakeholders, and building out milestones along the way—it sounds very natural and normal, but in reality, most businesses have departments that don't speak to each other," he says. "They have different KPIs. So it's actually harder to execute."

Irrespective of which migration path an organization selects, significant technical hurdles remain. According to the SAPinsider Benchmark Report, cleansing data and quality improvement are rated as the top challenge (6.00/10) when moving to SAP S/4HANA, followed by adapting custom code (5.88/10) and integrating third-party applications (5.55/10). FIGURE 3

Transformation Challenges
Organizations rate cleansing data as the top hurdle in SAP S/4HANA migrations

Challenges faced in moving to SAP S/4HANA
[ON A SCALE FROM 1 TO 10]

6.00
Cleansing data and improving quality the right way

5.88
Adapting custom code and determining which customizations need to be included

5.55
Integrating third-party applications with SAP S/4HANA

5.23
Redefining roles, authorizations, and separation of duties

5.00
Finding the time to prioritize the project

4.65
Maintaining dual systems in parallel during conversion

4.38
Implementing new infrastructure

4.19
Learning about and educating decision makers about SAP S/4HANA capabilities

4.15
User acceptance testing

Source: SAPinsider, March 2024

These challenges highlight the importance of comprehensive planning that addresses both technical requirements and data governance considerations.

Building Enterprise-Wide Alignment

Successful SAP S/4HANA transformations require strong alignment not only within IT but across the entire C-suite and among key stakeholders. This alignment is crucial for securing resources, managing change, and ensuring the transformation meets strategic objectives.

SAPinsider research shows that while IT remains the team most involved in SAP S/4HANA decisions (87% of organizations), finance (68%) and supply chain (40%) teams are also heavily involved. For change management to be effective, organizations must involve business users who can provide input on potential features and how business processes work.

Lalit Patil, the chief technology officer for RISE with SAP, emphasizes that successful transformations need robust governance and strong sponsorship from top management, noting that "there has to be a clear mandate, where they become intimately involved in the project. This enables faster decision making." Without this executive commitment, organizations often struggle with delays as decisions languish and departments pursue conflicting objectives.

The most successful organizations develop a collaborative C-suite leadership model where CEOs articulate a compelling vision, CFOs structure appropriate investment approaches, and CIOs bridge technical possibilities with business outcomes. This approach—where technology decisions are treated as business decisions—distinguishes organizations that merely complete migrations from those that achieve a lasting competitive advantage.

For Zumtobel Group, direct involvement of executives in the planning process proved effective. "We thoroughly discussed the matter with them throughout the entire process," Frantz says. "We showed them how S/4 will look in the future,

how the process will look, and where we have to adjust from." This collaborative approach extended to the company's governance structure. "We included all board members in the steering committee," he says. "So we decided on this together, we agreed on the approach, and we understood the consequences."

For Tycom, alignment came through demonstrating specific business benefits in areas that mattered to the organization. "We showed the C-suite the new possibilities, particularly in finance—not just credit management, but new capabilities in closing and other processes," Kohlgruber says. This focus on financial capabilities resonated with their leadership because "our CEO was also effectively our CFO, so he was receptive to innovations in the financial area."

At Motiva, the transformation is connected directly to the company's broader digital strategy. The company's goals for digital transformation encompass customer centricity, products, operational efficiency, and the employee experience.

Beyond the C-suite, successful transformations require alignment with business unit executives and end users whose daily work will be affected by the change. The approach to building this broader stakeholder buy-in often involves identifying and empowering "champions" within the business.

"We identified champions who combined technical understanding with an appetite for innovation," Kohlgruber says. "Once they experienced the new capabilities firsthand, these champions became our most powerful advocates, driving adoption across their teams through peer influence rather than top-down mandates."

This champion-led adoption strategy created powerful momentum across the organization and even outside it. "Now we have several units within our organization that are only working with the new apps and tools," he says. "The champions talk to colleagues in other business units who are still using the old transactions, and suddenly those colleagues are coming to us asking, 'Could you activate this in our company, too?'"

" Choose partners who truly understand how your organization works and how the system needs to function within it. The organization must embrace the system, not the other way around. "

Marcus Frantz, chief digital transformation officer and executive board member, Zumtobel Group AG

Motiva employed a similar approach, using solution walk-throughs, such as structured demonstrations of the new technology, with each department to build confidence and buy-in. "For our first solution walk-through, our success rate was probably 50%," Varanasi says. "By the time we did our second solution walk-through, we got rave reviews. They said, 'This was fantastic!' because we had addressed their concerns from the first session."

Building and maintaining stakeholder alignment requires sustained communication throughout the transformation, including with executive leadership and external service providers. "For us, it was important to have a partner with very clear standards and extensive experience they can transfer to our colleagues but who also demonstrates a genuine partnership approach," Frantz says. "You can identify this in how they respond to your questions—do they simply send generic proposals that could apply to any company, or do they take time to understand what you want to achieve and what your specific situation is?"

Frantz emphasizes that partner selection should focus on organizational fit rather than technical capabilities alone. "Choose partners who truly understand how your organization works and how the system needs to function within it. The organization must embrace the system, not the other way around," he says, adding that effective partners build client self-sufficiency. "The partner should ensure you have the knowledge and skills to manage them and work with them. A good partner points you toward developing this competence from the beginning."

Ensuring Business Continuity

Successful SAP S/4HANA transformations integrate risk management as an essential component of the broader strategic framework rather than treating it as a separate technical workstream.

According to the SAPinsider Benchmark Report, which surveyed 155 members of their global SAP community,

minimizing disruption is the top requirement for organizations moving to SAP S/4HANA, with 85% of respondents identifying it as a critical need. Data cleansing and quality improvement is rated as the top challenge, followed by adapting custom code.

For its part, Motiva, to address data quality risks, began data analysis efforts even before engaging their system integrator.

Similarly, to mitigate security and compliance risks, Zumtobel Group integrated its information security team from the beginning. "They could give guidance every step of the way," Frantz says. This approach was reinforced by regulatory requirements, such as the General Data Protection Regulation and EU Data Regulation, as well as the NIS Regulations, or the Directive on Security of Network and Information Systems.

Taking a methodical approach to technical mitigation risk, Tycom employed a comprehensive testing strategy. "We carried out seven attempts on sandboxes before we started the final migration," Kohlgruber says. This methodical approach extended through production readiness, where the final validation included the business department and external auditors, which were particularly important to ensure the accounting data had no errors that could have significant consequences.

Tycom's approach included robust fallback planning. "If we hadn't met that deadline, we would have reverted to the old ECC system for Monday morning," Kohlgruber says, ensuring business continuity regardless of technical challenges.

RISE with SAP's Patil adds that a successful governance model helps measure how the transformation is progressing. "This kind of governance helps ensure the transformation runs on time, with quality, and within budget—which are the main areas of risk management," he asserts.

By taking a comprehensive approach to risk management—spanning technical testing, business validation, external verification, and contingency planning—organizations can protect critical operations while still pursuing transformative change.
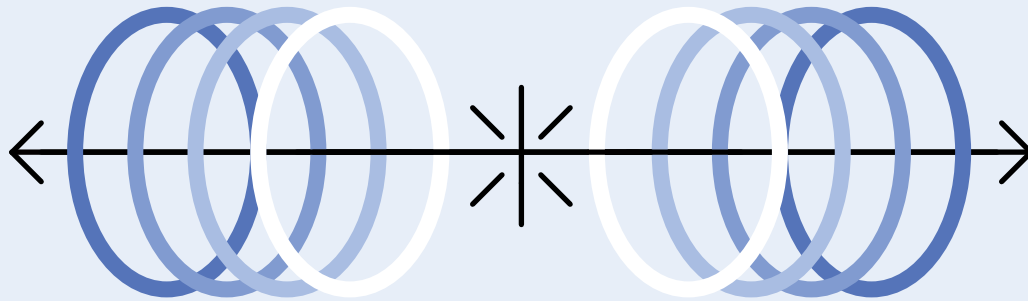
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Lalit Patil, the chief technology officer for RISE with SAP

Minkara recommends an incremental approach to measuring transformation success. "Start small so you can do incremental measurements. Otherwise, if you're waiting for a nine-month payoff, you can't diagnose what's working across the enterprise," he advises. "A gradual program lets you measure your success story as you go."

Change Leadership: The Human Factor

Effective organizational change management (OCM) is perhaps the most critical factor in SAP S/4HANA transformation success. While technology changes can be complex, human adaptation is often the biggest challenge.

"When I started on the program, I was asked what would keep me up at night. I said, 'OCM and data,'" Varanasi says. "If we get stuck on data or on change management, this program is not going to succeed."

At Motiva, this potential snag meant creating a custom change management methodology, supported by regular measurement. Varanasi says, "After every solution walk-through, we survey our user group: 'What's your sentiment? Were your requirements met?' This informs us if we need to do more training or adjust our approach."

Training is a critical component of change management, requiring multiple modalities to accommodate different learning styles and work arrangements. "We have instructor-led in-person training, instructor-led online training, and computer-based training materials, all running through our learning and development system," Varanasi notes. "We can track who completed the necessary training, and after each session, there's a survey to see how useful it was."

The change message is as important as the delivery method. "We're not just focusing on the content but on what it actually means to people," he says. "Nobody should fear the move to SAP S/4HANA. This is where you can say, 'This will save you time on these tasks so you can focus on more valuable work.'"

Frantz emphasizes the broader cultural transformation. "You have to think with an end-to-end process mindset, not just the individual function," he explains. "This is organizational change and cultural change. The people do learn that they cannot stay in their silos, because this was historically very easy—'It's my function, and I ensure that my function is running properly.' But when people think this way, they do not ask if there is someone at the end of the process who needs something from me."

Frantz further stresses the importance of articulating the why behind process changes. "If you don't explain to people why you're changing underlying principles, when they experience issues, they'll fall back to their standard problem-solving approaches from the previous system, which might not fit the new philosophy you want to instill." He illustrates this with a practical example: "Why is the 'business partner' concept relevant to someone in accounts payable who just checks incoming bills against orders? We need to explain why having a 360-degree view of business partners matters—that if a company is bidding on a contract, we might want to know their payment history. This perspective isn't something people considered before."

University of North Carolina, Charlotte's Berg points out that transformation also impacts the roles and skills needed within IT teams. "The skill set on the basis side, the database administrator, Unix administrator, and security side becomes more configuration based, instead of coding. The skill set on the front end becomes less training and more helping users navigate which of the 7,500 available Fiori apps [SAP apps that provide a modern, user-friendly, and responsive interface for business software] they can deploy to do their job."

Industry executives emphasize that change management must be integrated from the beginning of the transformation. "Change management should not be an afterthought," Patil says. "It spans process changes, technology adoption, and, most importantly, people. When organizations delay addressing it, the project often stumbles to a halt—and by then, it's either too late or too expensive to correct course."
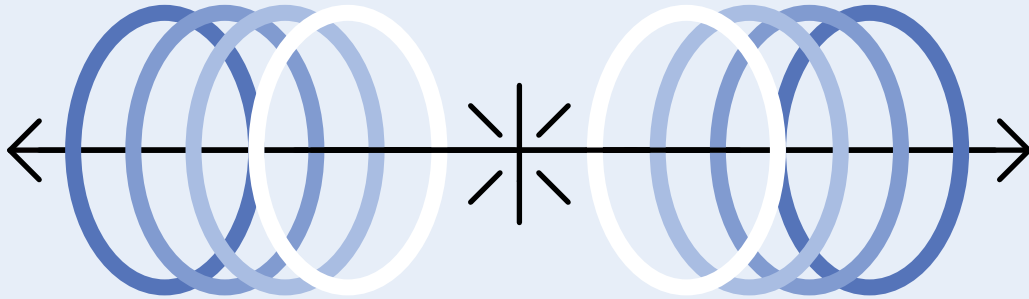
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Zumtobel Group's Frantz

Minkara emphasizes the importance of education and training, particularly as organizations embrace new technologies like artificial intelligence (AI). "Educating employees is going to be important, but then also training them on how to do better. Otherwise, most employees are going to feel like 'I'm not provided with an environment where I can succeed and excel in accomplishing these goals.'"

Effective change management requires sustained effort throughout the transformation. "We invite key users from around the world to our headquarters, and there we show the newest technologies," Kohlgruber says. "After those meetings, we always see increased interest in the new capabilities."

Building a Foundation for Future Innovation

While meeting the deadline is a key driver for many SAP S/4HANA migrations, forward-thinking organizations see the transformation as a foundation for future innovation, particularly in AI, automation, and advanced analytics.

"In production, we've automated processes that we couldn't automate before because the underlying logic could only be addressed with AI models," Kohlgruber says. "Without embracing AI, European manufacturers will struggle to remain competitive."

The most significant innovation advantage comes from eliminating the separation between business operations and data analysis. "With SAP S/4HANA, your data is instantly available in real time as business activities happen, which means you end up with faster insights and less complex systems to maintain," Berg says.

Traditional AI platforms extract all the data and move it to another platform. "With SAP S/4HANA, you can leave the data where it is, get the speed of the in-memory database, and use … tools like Python directly against your business data without complex extraction processes," Berg says.

SAP has accelerated its AI strategy with Business AI; Patil notes that "we have more than 130 AI use cases embedded in our product portfolio, with 400 planned by the end of 2025, boosting productivity and efficiency across every corner of the business." He adds that "in the past, the major selling point was to create customized approaches for each customer. But over the years these customizations are now limiting customers' ability to adopt innovation."

For organizations to fully leverage these capabilities, he emphasizes the importance of what SAP calls a "clean core" approach. "What clean core means is using standard processes for businesses, using standardized interfaces to SAP and non-SAP environments, and maintaining a clear people strategy," he says. "If you have a clean core, you can innovate much faster and get capabilities that SAP is building at a much faster pace without undergoing larger projects, which take months or even years."

Conclusion

In the complex transition to SAP S/4HANA, CIOs must simultaneously serve as technologists, business strategists, and change agents. This multifaceted role extends to evaluating whether RISE with SAP's bundled transformation approach aligns with their organization's specific needs and capabilities or if a more customized implementation path would better serve their strategic objectives.

Successful SAP S/4HANA transformation requires orchestrating a complex ecosystem of people, processes, technologies, and partners toward a shared vision. It demands that leadership balance technical details with strategic perspectives, addressing immediate needs while focusing on longterm aspirations.

A collaborative C-suite leadership model—where technology decisions are treated as business decisions—distinguishes organizations that merely complete migrations from those that achieve a lasting competitive advantage through their transformations.

"Companies looking at SAP S/4HANA should stop thinking about simply replacing the existing systems. That's just

" We're after effectiveness—not just doing the same things faster but deploying new capabilities that weren't possible before. "

Bjarne Berg, an assistant professor of business information systems and operations management at the University of North Carolina, Charlotte

efficiency," Berg explains. "We're after effectiveness—not just doing the same things faster but deploying new capabilities that weren't possible before."

The consequences of delaying this modernization extend beyond missed innovation opportunities to fundamental business agility. "Technical debt increases, you miss out on go-to-market opportunities, and competitive advantage is lost," Patil says. This issue is particularly evident with emerging technologies like AI, where organizations without a robust data foundation struggle to realize the promised benefits despite significant investments.

These targeted investments in AI-enhanced capabilities represent the true long-term value proposition of SAP S/4HANA beyond mere technical compliance with the deadline.

"If we hadn't made this migration," Kohlgruber says, "we wouldn't be able to handle many of the requests coming from business departments today, especially in AI. The possibilities simply aren't the same if you're still on ECC instead of SAP S/4HANA."