

# Navigating the business, human and technical challenges of SAP Transformation

How to accelerate your time-to-value while mitigating business risks

kyndryl<sup>®</sup>



# Table of Contents

01

About this ebook

02

Three key challenges

03

Experience: Lessons learned from Kyndryl's own transformation

04

Accelerate time-to-value & mitigate business risks with Kyndryl

05

Three value pillars: the Kyndryl approach

06

How Kyndryl maximizes time-to-value

07

Kyndryl services

08

Proof points



# Executive summary

Technology leaders today face more challenges than ever before. They must evaluate, adopt and invest in AI and other new technologies, all while continuing to prepare for the future and establish their organizations as digital-first enterprises. Modern SAP applications can serve as the foundations of a digital-first enterprise, enabling businesses to capitalize on new capabilities. But to achieve this, enterprises must evolve their long-term business strategy and develop a comprehensive plan to modernize their existing applications and data landscapes, while bringing people along on the journey.

By transforming and moving their SAP landscapes and enterprise data to the cloud, enterprises can unlock efficiencies, including AI-driven use cases and drive better outcomes. They can then take a new path whereby modernization is no longer a “one-and-done” IT project, but rather a business-driven, continuous, composable journey.

The reality is that SAP transformation entails tough, messy work that needs to be done. There are decisions to be made at every point of a journey fraught with technical, business and human risks that center around complexity, disruption and technology adoption.

At Kyndryl, we can help you make sense of these decisions and accelerate your SAP transformation with agile teams, accelerators and proven best practices that mitigate business risks. Our own SAP transformation covering 71,000 S/4HANA users was completed in 18 months and delivered a 40% savings in the CIO budget. The learnings from this project, combined with our focus on organizational change management and our deep experience in mission-critical environments, can help enterprises navigate the complexities while maximizing business value and ROI.

Our strategy is underpinned by:

- Taking a pragmatic approach that instills a cultural change and delivers incremental improvements over time
- Minimizing business disruption and managing complexity
- Scaling the impact of analytics and AI with trusted data



# 01

This eBook outlines the key challenges around SAP modernization, explains how to navigate them, and shows how Kyndryl can accelerate your time-to-value, drawing on our experience and expertise in complex IT environments while deploying human-centric, data-driven strategies.

As technology leaders face up to the challenges of evaluating, adopting and investing in AI while protecting their data against the growing risk of cyberattacks, they must also continue to prepare for a digital-first future. Where companies are still using legacy SAP applications, these need to be modernized and migrated to hyperscaler cloud-based infrastructure, which offers the required performance, security and scalability.

Modern SAP applications offer unprecedented opportunities for competitive differentiation through enhanced operational efficiency, decision-making and customer experiences. Moreover, with end-of-support for SAP ECC looming, there is immense pressure on enterprises to take the path of modernization now rather than later.

SAP transformation is rather a business-driven, continuous, composable journey that entails considerable time, cost, effort and risk. Decisions must be made at every step of the journey: whether to move to RISE or start with S/4HANA; whether to take a greenfield, brownfield or hybrid approach; how to compare the risk of migrating to the risk of remaining on legacy systems; the cost implications and how to manage them, to name just a few.

“Given our experience, we understand that a digital transformation is more than a technical upgrade. Instead, it’s a continuous journey that requires strategic planning, organizational change management and a focus on delivering business value – and at Kyndryl, we are committed to providing our customers with the end-to-end services and expertise to be successful.”

- Michael Bradshaw, Kyndryl  
Global Applications, Data and AI  
Practice Leader



## Three key challenges

Enterprises are striving to give new technologies such as AI and Gen AI access to existing enterprise data, which typically requires deeper integration with their ERP systems. Legacy on-premises SAP systems tend to be highly complex, extensively customized and tightly integrated with other systems. They handle many of the most important and time-sensitive processes in any enterprise, raising the migration stakes and creating near-zero tolerance for disruption or downtime. There's also the risk of reputational damage for leaders due to the costs, scale and expectations involved. Based on decades of experience in managing major migrations, Kyndryl has

identified three key challenges faced by enterprises seeking to move their SAP landscapes to the cloud: complexity, disruption and cultural change. Only by addressing these three challenges together can organizations control the cost and risk of delivering a successful migration within the targeted timeline. All this against a looming deadline for the end of support for SAP ECC.

### The technical challenge: Complexity remains a key barrier to modernization

An SAPinsider survey published in February 2025 reveals that complexity remains one of the top three barriers to SAP S/4HANA migration. Navigating the intricate web of interconnected systems and embedded processes within an ERP is never easy, and many organizations struggle to work efficiently and cost-effectively through their transformation programs.



Many enterprises have heavily customized their SAP ECC systems to meet specific industry and business needs. These customizations may not be directly transferrable to S/4HANA, requiring costly and time-consuming redevelopment of custom code and workflows. There may also be custom integrations with third-party tools and solutions that need to be adjusted, potentially with the involvement of an external partner, adding another layer of complexity.

One source of complexity in adopting SAP S/4HANA is that it has a fundamentally different architecture from SAP ECC. Built on the SAP HANA in-memory database, S/4HANA offers faster processing and simplified data models, but at the cost of requiring organizations to reengineer many existing processes and systems. The initial move to HANA can present significant challenges around

cleansing, transforming and migrating large volumes of existing data while ensuring integrity and minimizing disruption.

More generally, data migration tends to be complex and risky when it involves diverse platforms, applications and data types. To avoid unpleasant surprises and keep the modernization on track in terms of both time and budget, enterprises should proactively review their data to identify potential quality issues, then plan a structured, technology-enabled execution.

## The business challenge: Minimizing disruption is the key concern

According to the SAPinsider survey, the most significant concern around migrating to SAP S/4HANA is ensuring minimal disruption to business operations, with 84% of respondents stating that a smooth transition was important or very important in their planning. Migrating core ERP systems is always risky because they are central to day-to-day business operations and are typically relied upon by both internal teams and external stakeholders. Any disruption during migration can lead to costly downtime or data inconsistencies that negatively impact business functions. In addition, moving core systems to the cloud puts added focus on cybersecurity.

Anticipating and mitigating potential disruption both during and after migration are vital in preventing delays and cost over-runs. Typical S/4HANA

Migrations come in at three to four times the original budget and take 30% longer than anticipated.<sup>1</sup> Many companies experience disruption to normal operations when they go live after an ERP modernization exercise, and over-spend scenarios are often caused by the need to make system modifications to improve usability. These findings point to the need for diligent upfront planning and for engaging business users early in the process.

One point that is often overlooked in SAP migrations is that because SAP S/4HANA operates differently from ECC, the technical skills required to manage the in-memory HANA database differ from those required to manage traditional relational databases. Enterprises therefore often face a steep learning curve for both IT staff and end-users, which can cause post-migration disruption.



## The human challenge: Success may hinge on change management

While the transition to SAP S/4HANA remains primarily a technical initiative, involvement from other parts of the business is growing. The [SAPinsider survey](#) shows that business teams across the enterprise, from finance and supply chain to sales and marketing teams, are all playing a larger role in decisions around S/4HANA. This implies that IT teams need to ensure that change management initiatives extend to the wider business.

Successfully modernizing an SAP landscape is more than just introducing new software and models; enterprises must also ensure the organization-wide acceptance and adoption of the new technology and capabilities. If CIOs and business leaders underestimate the challenges around change management, this can lead to the overall failure of the transformation.

Technology leaders must therefore look beyond financial and technical factors to determine how to overcome potential internal resistance, reduce so-called change fatigue and foster a culture of adoption. This will require the development of strong partnerships with business peers and ecosystem partners to ensure alignment on shared goals. Additionally, it involves identifying, developing and empowering internal transformation leaders or change champions to drive the change at all levels.

Equally, migrating to S/4HANA can take months, depending on the size and complexity of the business, so it is vital to plan change management initiatives that keep people engaged for the whole journey. For context, Kyndryl completed its own S/4HANA migration in 18 months, and this was recognized as a model project in the industry. It was also just the first step in a longer phased transformation journey.



# 03

## Experience: Lessons learned from Kyndryl's own transformation

Kyndryl's own SAP transformation began in November 2021, following the separation of the company from IBM. The goal was to exit more than 1,800 business platforms and applications within two years, focusing on finance, procurement, and quote-to-cash applications, which constituted about 20% of the IT environment. Kyndryl's strategy, developed by the CIO office, involved consolidating 375 systems into a single SAP platform anchored by S/4HANA, with the assistance of SAP and two service integration partners.

Kyndryl's experience underscores the importance of thorough planning, strategic partnerships, and real-time execution in achieving a successful SAP transformation. Over 18 months, Kyndryl set up more than 71,000 S/4HANA users worldwide, executing the transformation in real-time without disrupting normal operations. The integrated SAP platform replaced multiple legacy systems, providing a continuous, timely, and accurate flow of information for transactions and real-time analytics. By consolidating 68 siloed data solutions into a single source of the truth, Kyndryl enhanced agility and efficiency. This modernization is anticipated to reduce Kyndryl's selling, general and administrative expenses (SG&A) by an anticipated \$200 to \$300 million over time.

### Key points:



Gain **Executive buy-in and support for simplification** with strong business governance to address issues



Start **change management and enablement early** and reinforce often at all levels – be “people ready”



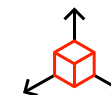
Spend time on **enterprise architecture & infrastructure design up front**, establishing secure, current and highly available environments



Establish a dedicated **transformation team** and align the transformation to the company's aspirational culture



Align applications to strategic platforms and push for **consolidation and simplification**



Harness the power of **out-of-the-box functionalities** and standard processes, minimizing the need for extensive customizations



04

## Accelerate time-to-value & mitigate business risks with Kyndryl

Kyndryl has extensive experience, successfully implementing hundreds of complex SAP migrations. We can speed up your SAP transformation with strategies, frameworks and accelerators, mitigating business risks. This approach puts you on the fast track to transformation and when combined with organizational change management, can help you navigate the complexities of the journey and maximize business value.

Kyndryl offers a comprehensive portfolio of services across consulting, implementation, modernization, organizational change management and managed services to support organizations of all sizes in their SAP transformation journeys. As a market leader in RISE with SAP implementations, we co-create and tailor services to each organization's needs, drawing on 30 years of experience in mission-critical systems to accelerate value, mitigate risks and enhance ROI.

Drawing on the experiences of our own SAP modernization, we translate our deep understanding, empathy and learnings into an approach that scales impact for our customers. Working with Kyndryl experts, enterprises can seamlessly modernize, integrate SAP and non-SAP systems, and take advantage of AI to maximize the value of their ERP data.



## Three value pillars: the Kyndryl approach



### Value 1: Embrace a pragmatic approach

Kyndryl offers tailored SAP transformation journeys with a phased approach and fit-for-purpose architecture that provide future-proofing against technical debt. There is decision-making at every point of the SAP journey. We help you through this maze of complex decisions, anchoring your strategy in your business priorities. Embedding organizational change management into the transformation helps ensure rapid adoption of new functionality and brings the technological change to life by guiding people along on the journey.



### Value 2: Minimize business disruption and manage complexity

Kyndryl has a track record of success in working with major enterprises to handle complex transformation projects. Drawing on deep, cross-industry experience in mission-critical SAP environments, Kyndryl helps enterprises achieve ROI faster and at lower risk. We automate workload migration with speed and precision. The Kyndryl Migration Factory has developed an extensive set of best practices around SAP migration and managed services, including skills in SAP Activate methodology. Kyndryl Bridge offers observability and rich insights, designed to enable improved control, speed and efficiency. All this, with an equal focus on culture and adoption, helps maximize the potential of your SAP technology upgrade.



### Value 3: Enhance the impact of analytics and AI with trusted data

Kyndryl offers customers a holistic data strategy built on modern foundations, providing a single source of truth. Starting with trusted, high-quality data, we automate the data migration process through our accelerator, the Kyndryl Data Transformation Suite. We facilitate business insights at scale and infuse AI and Gen AI solutions into business processes, along with self-service consumption of business intelligence.



# 06

## How Kyndryl maximizes time-to-value

1

**Architecture mindset:** We lead with enterprise architecture, balancing technical requirements with business objectives and co-creating strategies through a design-led approach.

2

**Human-centered change:** We connect people and processes while planning and governing to manage and drive change. We implement culture strategies to combat change fatigue and engage leaders early in the process.

3

**Data-centric strategy harnessing AI:**

We unify data for a single source of truth across the organization, and accelerate transformation using automation and AI for enhanced control and speed.

4

**Experience advantage:** We provide mission-critical expertise, access to real-time operational IT insights and deep skills in complex SAP migrations that use frameworks and certifications from SAP and hyperscale partners.



## Kyndryl's approach translates into quantifiable business outcomes for our customers:

Kyndryl blends its expertise with extensive experience to help customers drive impactful results, achieve budget and time goals, and maximize ROI. The Kyndryl approach helps ensure that mission-critical SAP solutions are delivered without any interruptions to business operations. The focus is on maintaining uptime throughout the migration process, which is essential for high performance, reliability and availability in business processes.

## Architecture mindset:

Our transformations are led by enterprise architecture, using Kyndryl's framework to build a "golden thread" from business capability to technical implementation and organizational change. Applying a cross-enterprise perspective to people, process, information and technology, we help remediate technical debt by rigorously optimizing for resource constraints, changing stakeholder priorities and emerging technologies such as AI.

## Human-centered change:

Kyndryl's Organizational Change Management (OCM) is integrated into our planning and governance model to align with customers' business goals and effectively engage business leaders and users. This approach balances traditional KPIs with positive sentiment and user adoption, addressing cultural strategies to combat "change fatigue" that could otherwise derail overall goals. OCM helps ensure that transformations are not just technical upgrades but represent comprehensive change across people and processes.







## Data-centric strategy harnessing AI:

Kyndryl emphasizes a data-centric approach that leverages its Data Transformation Suite for SAP Solutions, focusing on accelerating data migration, enhanced data fidelity and faster automation. By employing automation and AI, we accelerate transformation, improving control and speed while reducing complexity and the risk of operational disruptions early in the configuration process. Using tools such as Kyndryl Bridge for observability, we help ensure high-precision application and data handling and reliable integrity throughout the transformation.

## Experience advantage:

Our strategy draws on Kyndryl's extensive experience in complex SAP migrations and deep expertise in SAP frameworks. Kyndryl consultants work synergistically with SAP, hyperscalers and other partners to drive impactful transformations. Kyndryl's experience advantage includes consulting skills with thorough assessments and a co-creation and design-based approach through Kyndryl Vital, underpinned by deep technical intimacy with complex IT systems. These measures help ensure that transformations are tailored to address each organization's specific needs.



## Kyndryl services

### Advisory & Consulting:

The successful assessment, migration, modernization and management of SAP applications in hybrid, multi-cloud, and distributed environments require specialized skills, tools, and capabilities. Kyndryl helps you transform your SAP applications, orchestrate new business models and provide technology enhancements to support enterprise digital transformations including S/4HANA implementations and RISE with SAP transformations. We arm you with the strategy, tools and capabilities you'll need to succeed in the long run.

*Read how we contributed to the digital evolution of a Made in Italy brand [here](#).*

### SAP S/4HANA and RISE with SAP Services:

Jumpstart your journey to SAP S/4HANA and RISE with SAP: As an [official RISE with SAP services delivery partner](#) and a leader in ISG's RISE with SAP Implementation report, Kyndryl offers a full suite of SAP services.

*Read about Grupo Pavisá's selection of Kyndryl [here](#).*

### Organizational Change Management:

SAP transformation is fundamentally an organizational challenge in which success depends on a well-thought-out approach to organizational change management (OCM). By embedding OCM into the fabric of planning, orchestrating and governing the transformation, enterprises can

mitigate resistance, reduce change fatigue and foster a culture of adaptability to help teams take full advantage of the new technology.

*Read about Dilip Buildcon's experience [here](#).*

### SAP Integration services

Kyndryl uses SAP BTP and Kyndryl Bridge to seamlessly integrate SAP and non-SAP applications, data and infrastructure, thereby enhancing system interactions and supporting SAP's "Clean Core" approach to standardization. Kyndryl also helps enterprises scale AI and AI-driven use cases across the technology estate, extending real-time observability and insights to help minimize downtime and forecast future needs and costs more accurately.

*Read about TOA Corp's experience [here](#).*

### Data Insights, Analytics and AI Services for SAP

Kyndryl can cleanse, transform and migrate SAP data to create a single source of truth, without disrupting ongoing operations. By federating, integrating and transforming the data landscape across SAP and non-SAP systems, we break down data silos and link security with the right governance model. With proven methodologies, best practices and over 300 patents across data and AI alone, we can help scale analytics, AI and Gen AI at higher levels of performance and accuracy.

*Read about City of Antibes' experience [here](#).*



## Kyndryl Data Transformation Suite for SAP solutions - a data migration accelerator

Kyndryl Data Transformation Suite is an accelerator for discovery, migration and transformation of data. Data is the key enterprise asset, and data quality is currently seen as one of the key challenges in moving to S/4HANA. It is crucial to preserve, orchestrate and curate data so that it gets to the right people in the business process at the right time. This prioritizes data accessibility and flow across business processes and functional silos, paving the way for effective AI utilization and informed decision-making. Enhanced data fidelity, through the use of high-quality data early in the configuration process, accelerates the migration of data to S/4/HANA.

*Read about the suite [here](#).*

### Key benefits include:

- Faster transformation and migration through automation
- Automation of data scanning, analysis, identification, transformation, testing, validation and loading accelerates the migration process
- High-precision data handling and data integrity
- Fidelity in the way large volumes of data are collected, stored, used and managed throughout the lifecycle helps ensure data security, privacy and regulatory compliance
- Reduced complexity and risk of operational disruption
- Seamless integration of SAP & non-SAP data
- Pre-configured tools eliminate the need for error-prone manual setup and customization and help ensure data accuracy, reducing the risk of disruptions.

## Application Modernization and Management Services

Kyndryl helps enterprises unlock the latent value in their legacy applications and bring them into the digital age. Our expertise, methodologies and tools combine to enable the secure and scalable transformation of third-party and custom-built applications. With decades of experience in complex, mission-critical systems, we can modernize your portfolio, integrate AI and deliver lasting transformation aligned to your business goals.

*Read about Grupo Romero's experience [here](#).*

### Managed services:

Monitoring, maintenance and optimization for applications, platforms and infrastructure to proactively identify issues and provide 24-hour support for uninterrupted operations.

*Read about Managing and securing Zumtobel's critical IT infrastructure [here](#).*

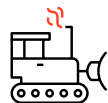
## Kyndryl Services: Security & Resiliency, Hybrid Cloud Services and Hyperscaler Service

Modernizing SAP applications and moving to the cloud presents new challenges for enterprises accustomed to running their most important applications locally. Kyndryl offers a comprehensive range of services to help ensure business resiliency, cyber security, reliable connectivity back to on-premises applications and highly automated control over cloud workloads.

*Read how Kyndryl helped a global pharma manufacturer [here](#).*

## Proof points

Read more about how Kyndryl has helped enterprises with S/4HANA migration or implementation.



### Dilip Buildcon

- \$7 million (USD) annual savings in decreased operations costs
- 5% reduction in working capital, increasing liquidity and reducing risk
- Doubled number of building projects Dilip Buildcon can run simultaneously



### Mondi Group

- Seamless transition to SAP S/4HANA, avoiding costly business disruption
- 100% uptime for mission-critical SAP solutions, enabling 24/7 operations
- 20% increase in end-user application performance, boosting operational efficiency



### Pharmaceutical Supplies Manufacturer

- Streamlined SAP S/4HANA implementation and management
- Achieved 100% shift from variable Capex to predictable Opex
- Refocused internal resources on business innovation rather than system maintenance

#### **For more information**

Ready to start your journey to S4/HANA or RISE? [Talk to an expert.](#)





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The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions.

1. SAP S/4HANA Migration 2025, SAPinsider, 2025