

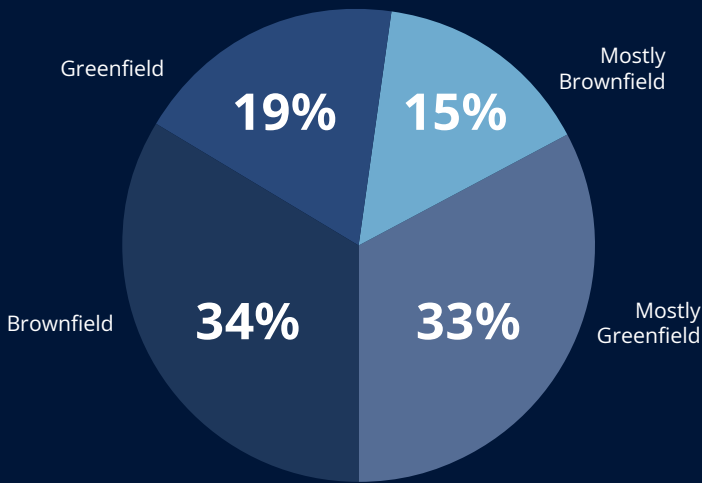
*ISG Market Lens™ SAP Migration Study

SAP Migration Will Accelerate

Most Enterprises Are Already Transitioning

S/4HANA migration continues apace across industries. Half the firms studied have transitioned or are actively transitioning now, showing alignment with SAP's modernization roadmap. Greenfield approaches are chosen for long-term transformation and greater customization, while **brownfield migrations** appeal to organizations prioritizing cost, speed and minimized disruption. With ECC's end of maintenance approaching, only a minority expect to remain on ECC beyond 2027.

ERP Migration Approaches

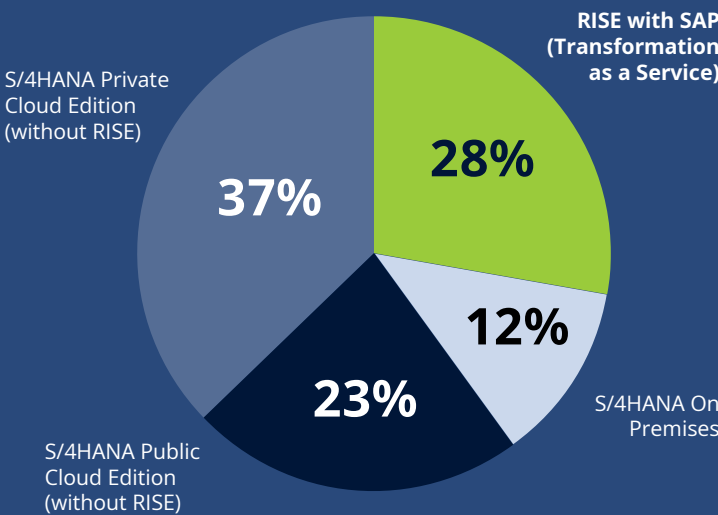


Most Rely on SAP's Professional Services

Planning, Design & Execution Support Is Key

SAP migrations are complex and require structured expertise and predictable delivery frameworks. This is seen in the numbers – most firms rely on SAP's professional services to guide their migration programs. The majority (62%) use or plan to use SAP's planning and design services, and 59% depend on SAP for migration and execution activities. SAP RISE, however, is adopted far less often; it's chosen when a firm wants to migrate faster and reduce costs.

Use of SAP RISE



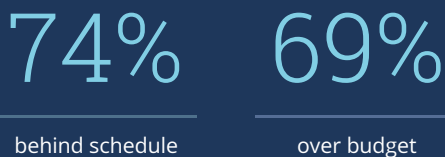
Migration Timelines Face Setbacks

Scope Creep Adds Cost and Complexity

Most S/4HANA programs are over budget and behind schedule, including those still in progress. Many organizations underestimated the behavioral and cultural change required, with 62 percent citing this as a major barrier. Resourcing gaps, inconsistent project governance and scope creep further slow progress, adding cost and complexity across delivery teams. These factors combine to stretch timelines and increase the risk of program overruns.

Average Migration Budget: 1.62% of revenue

Migration Timeline and Budget



Migration Aims to Break Down Silos

BI and Data Integration Are Ongoing Hurdles

Two-thirds of respondents believe ERP migration will help eliminate data and insights silos and improve cross-functional visibility. While core functions like finance and supply chain planning remain priorities post-migration, integration challenges persist in areas such as BI and analytics. About half of organizations are turning to managed service providers to strengthen integration capabilities and address interoperability gaps.

Top ERP Migration Priorities and Challenges

Priorities	Challenges
Financial Planning	Financial Planning
Grand Ledger/Accts.	Group Consolidation
Real Time Analytics	BI Integration
SC Planning & IBP	Inventory/Warehouse Mgmt.
Demand Planning	Real Time Analytics



200 executives from G2000 firms involved in ERP migrations were interviewed.



60% board-level roles (incl. CTO, CIO, COO), with the remainder in senior functional roles.

Contact us to find out more about this study. If your organization needs help navigating the technologies, processes and culture needed to refocus your SAP initiative, ISG can help.