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**REPORT**

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# SAP S/4HANA Migration 2025

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# Executive Summary



"We are already running SAP S/4HANA and plan on moving to RISE with SAP as we upgrade to the SAP S/4HANA 2023 release so that we can modernize our architecture. This will help us reduce long-term costs and help us stay up to date on new releases. Using SAP S/4HANA has improved performance compared to our previous ERP environment, but more importantly has allowed us to stay on the latest versions of software better than we did in the past. This is a major benefit for innovation."

IT MANAGER, NATURAL RESOURCES  
COMPANY

## AS SAPINSIDERS FACE MOUNTING

**PRESSURE** to modernize their ERP landscapes, the transition to SAP S/4HANA is no longer a matter of "if" but "when and how". The pace of adoption, however, continues to be steady rather than accelerating, influenced by factors such as technical readiness, system complexity, business priorities, and strategic vision. While some enterprises have embraced rapid implementation, others are balancing the risks of the move with the imperative to maintain continuity and limit disruption.

With the 2027 SAP maintenance deadline approaching, SAP customers are under increasing pressure to move to SAP S/4HANA, especially within the context of RISE with SAP. However, recognizing the varying levels of preparedness in the SAP ERP customer base, SAP has introduced a phased maintenance approach beyond 2027. Starting in 2028, organizations can opt for extended maintenance—available until 2030 at a two percent premium—to ensure continued support while organizations complete the transition. Those who forgo this option



or reach the end of their extended maintenance period will transition to customer-specific maintenance, which provides essential support but without full enhancements.

This structured approach reinforces SAP's commitment to facilitating SAP S/4HANA adoption while offering businesses the flexibility to transition at their own pace. However, a critical question remains: What is the true state of SAP S/4HANA migration across industries today?

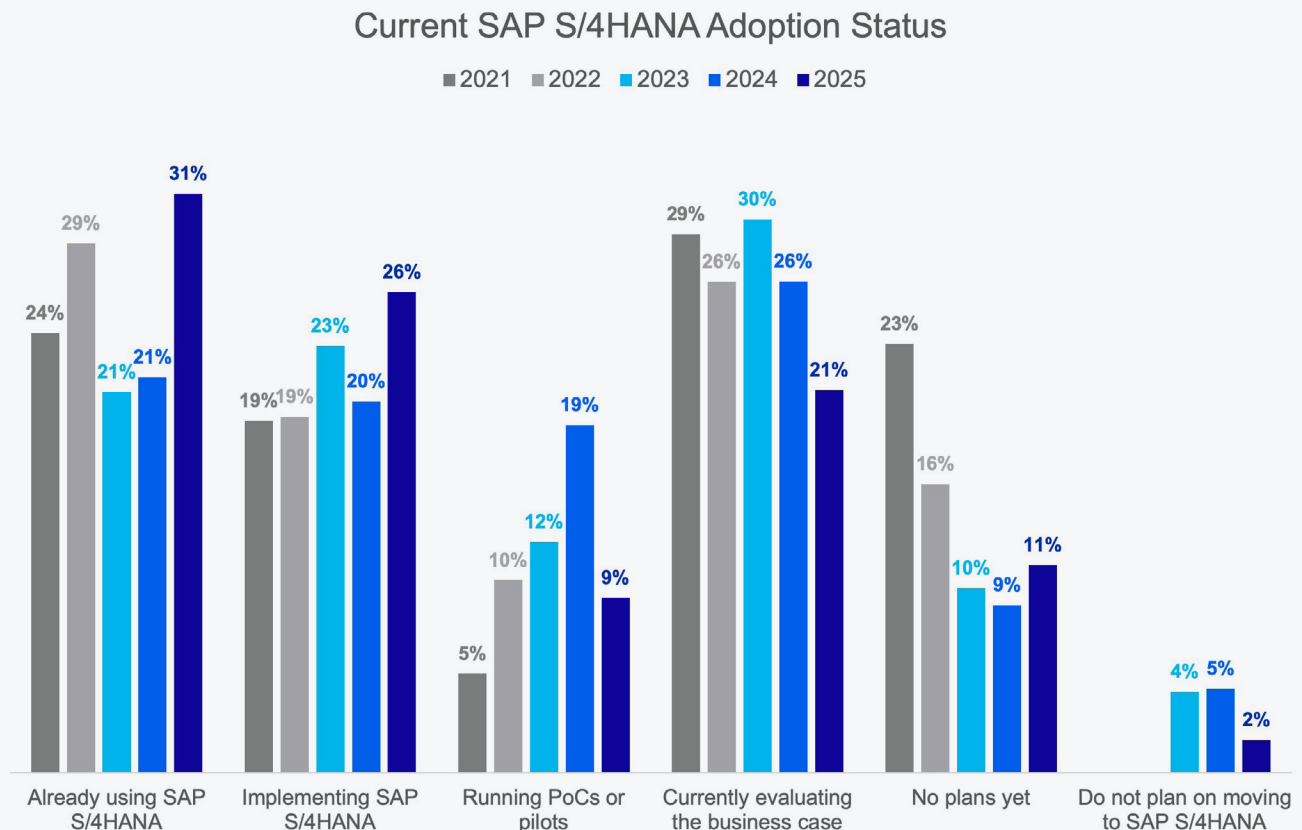
To understand and explore the SAP S/4HANA migration strategies, this SAPinsider report examines the adoption trends for SAP S/4HANA, the version of the solution that organizations are deploying, the challenges that they are encountering with the move, and the benefits that those that have already moved to SAP S/4HANA have received. **(Figure 1)**

The findings indicate a dynamic landscape where organizations are progressing at different

paces based on their strategic priorities, business needs, and technical preparedness. Currently, 32% of respondents reported that their organization has already transitioned to SAP S/4HANA, a 10% jump compared to 2024 but more in line with data from 2022 (29%). Meanwhile, 27% of organizations are in the implementation stage, actively working to integrate SAP S/4HANA into their IT landscape, a number that has risen from 20% from last year. However, despite this momentum, 21% of organizations remain in the evaluation phase, a drop of 5% from 2024 and 9% from 2023, still assessing their business case for SAP S/4HANA migration, reflecting the complexities and challenges that come with such a transformational shift.

While the intent to migrate to SAP S/4HANA is clear, the 2027 deadline for SAP ECC maintenance is fast approaching, making it imperative for organizations to accelerate their decision-making to avoid last-minute disruptions. Although 61% of

FIGURE 1





organizations that have not already moved to SAP S/4HANA currently aim to complete their move before the deadline, those that postpone their decision will face the higher costs of extended maintenance or be forced into customer-specific maintenance with limited support and no adaptation to new or changed external requirements. To avoid these challenges, businesses must act proactively, ensuring a structured and efficient migration roadmap that balances cost, innovation, and operational continuity.

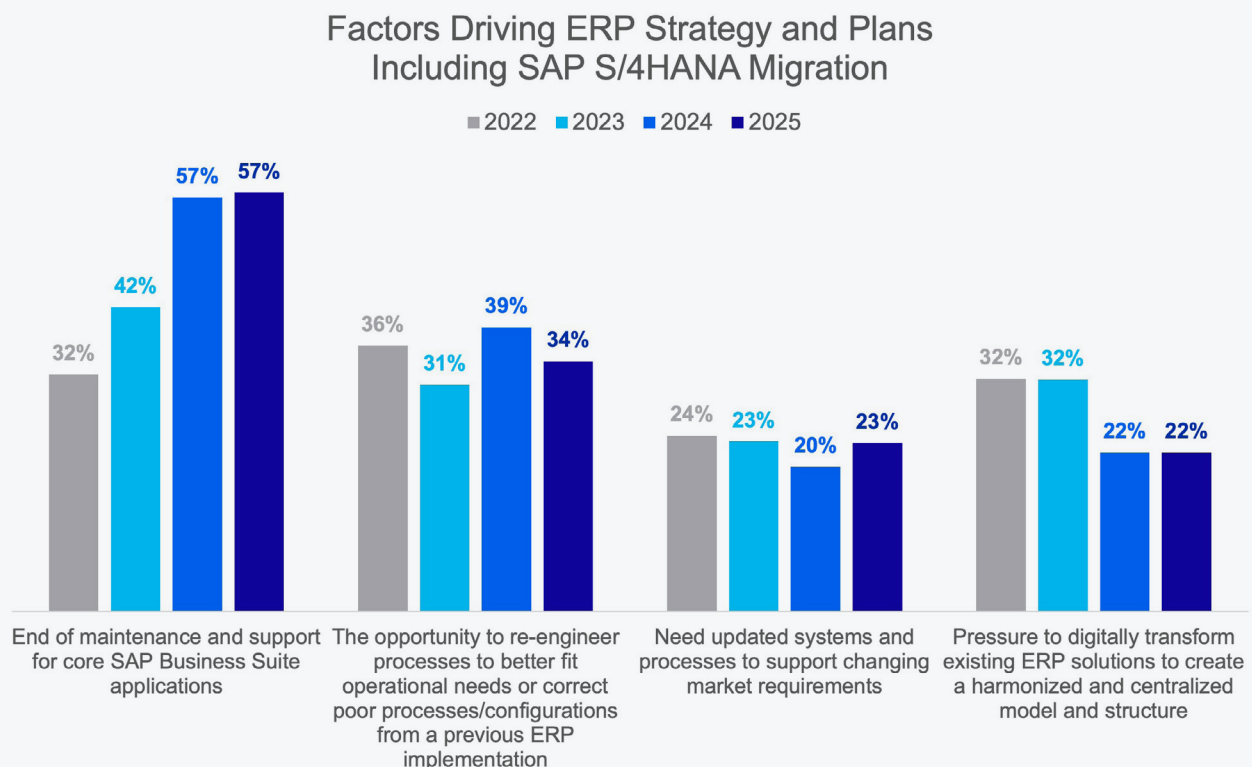
## Key Drivers Influencing SAP S/4HANA Migration

Organizations ERP strategy and plans are driven by a combination of strategic imperatives and operational challenges, each shaping their modernization approach. The impending end of maintenance for SAP ECC and the broader SAP

Business Suite (57%) remains the most significant driver for migration. This is also one of the top external factors (48%) impacting organization's plans for SAP S/4HANA over the last 12 months.

Beyond the necessity of support continuity, many organizations view the move to SAP S/4HANA as an opportunity to reengineer and optimize their business processes. Rather than merely performing a technical upgrade, enterprises are leveraging this transition to correct inefficiencies from previous ERP implementations (34%). This is true as older systems accumulate process inconsistencies and suboptimal configurations that hinder efficiency and flexibility as those systems are adapted to meet changing needs over many years. This makes process optimization particularly crucial for companies that have historically struggled with fragmented or poorly integrated ERP environments, as it allows them to eliminate redundancies and enhance operational agility. **(Figure 2)**

FIGURE 2







**"We are not interested to moving to the cloud since we already have the infrastructure and staff in place to support our on-premise deployments. Our biggest concern about moving to a cloud-based ERP system is cost. We are not interested in entering into a licensing agreement that is subscription based and will cost tens of thousands per month. In addition, we have concerns about our data being in the cloud. Our plans are to keep all our data in-house."**

**BASIS ADMINISTRATOR, FINANCIAL SERVICES COMPANY**

Additionally, updated systems that can support changing market demands (23%) is another critical factor driving SAP S/4HANA adoption. As older ERP systems can lack the flexibility and real-time capabilities needed to adapt to rapid changes, SAP S/4HANA offers intelligent automation, advanced analytics, and AI-driven insights, enabling businesses to make more informed decisions and optimize their operations proactively.

A factor worth monitoring for organizations planning ERP projects is the current macroeconomic climate. While only 24% of respondents cited this as something currently impacting their organization's plans for SAP S/4HANA, half as many as those impacted by the upcoming end of mainstream maintenance, respondents in EMEA (26%) and APAC (33%) were more affected than those in North America (16%). In addition, 35% of respondents from organizations with annual revenue over \$2 billion also highlighted the economic climate as a concern. Although this may not appear to be a major issue, some SAP partners in EMEA have already seen projects postponed or placed on hold this year because of the economic factors. Since an SAP S/4HANA or RISE with SAP project can be both long and expensive, economic instability may have an increased impact as the year progresses.

## **Impact of RISE with SAP**

Although initially viewed as a separate offering from SAP S/4HANA, it quickly became clear that SAP viewed the move to SAP S/4HANA synonymous with using RISE with SAP. While many organizations have explored RISE with SAP, a large portion (27%) report this year that they have evaluated it but decided not to make any changes. This suggests that while the offering is on their radar, they have the capacity to move to SAP S/4HANA without needing to license RISE with SAP, and there is currently nothing in the offering that is changing that decision.

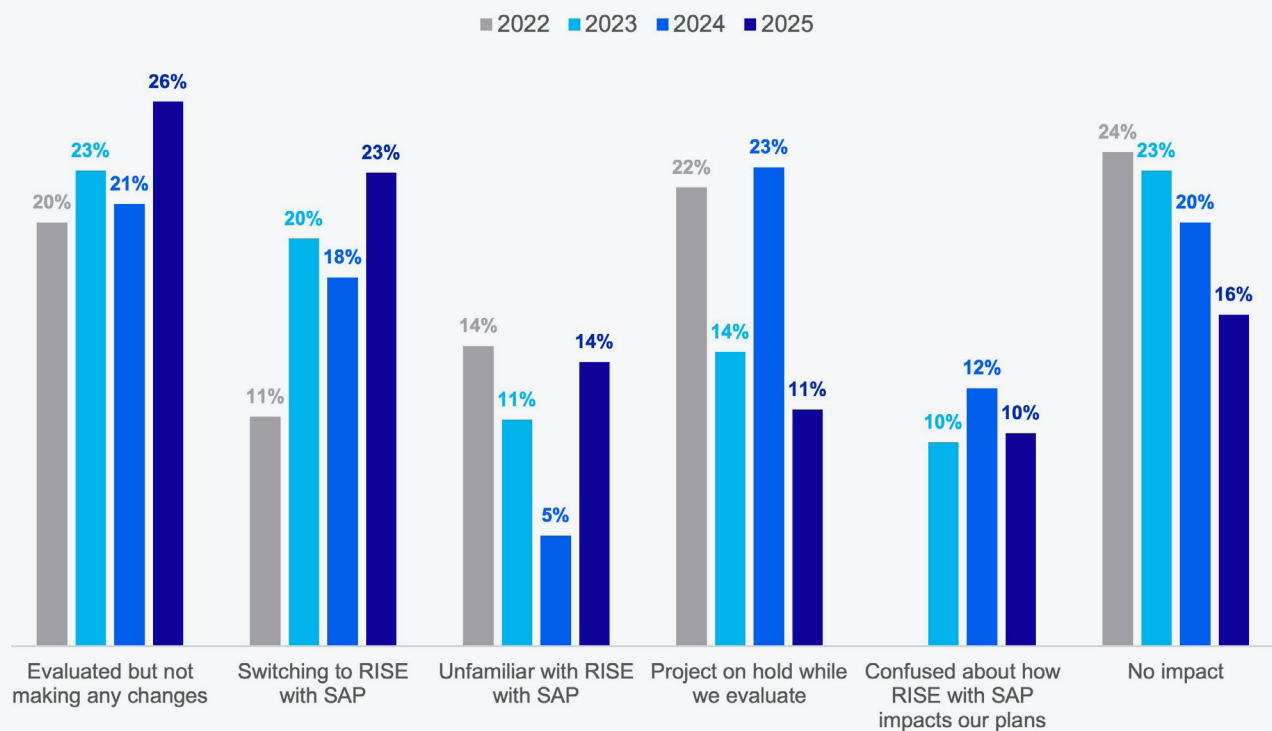
Additionally, although knowledge of RISE with SAP is growing, it is not yet dominant, as only 23% of organizations report that they are planning on changing their existing deployment plans to use RISE with SAP. However, 45% of respondent organizations already using SAP S/4HANA now plan on changing to RISE with SAP, a 150% increase from the 30% last year. This suggests that the capabilities that SAP is offering in a RISE with SAP package, including simplified infrastructure, licensing, cloud migration, and access to generative AI, offer a significant advantage even to those already using SAP S/4HANA. **(Figure 3)**

Despite SAP's push for RISE with SAP adoption, a small proportion of respondents (14%) still report that they are unfamiliar with RISE with SAP or are confused about how it impacts their plans (10%). Given that RISE with SAP and the broader SAP Business Suite is central to SAP's messaging, it is difficult to understand why so many respondents still report minimal knowl-



FIGURE 3

## Impact of RISE with SAP on Plans for SAP S/4HANA



edge. While it is understandable that organizations have reservations about the potential cost of the offering, vendor lock-in, and the degree of control they retain over their IT landscape, it is vital that organizations focus on learning about RISE with SAP because they risk making suboptimal decisions based on incomplete information if they do not seek to understand RISE with SAP.

Something that may have a significant impact on the number of organizations using RISE with SAP as part of their journey to SAP S/4HANA is access to generative AI capabilities. This year respondents were asked whether they are considering using AI or generative AI capabilities in their SAP S/4HANA deployment. A majority of respondents (54%) said that this was the case, with just 17% reporting that their organization did not plan to use AI or generative AI capabilities in SAP S/4HANA. This is significant, as the only means of accessing generative AI directly in SAP S/4HANA is through a RISE with SAP construct.

Respondents from North America (55%) and APAC (57%) were more likely to consider using AI in SAP S/4HANA than those from EMEA (47%). Respondents from organizations with annual revenues over \$2 billion were also more likely to want access to AI capabilities (61%) than organizations with annual revenues below \$2 billion (50%). This data aligns with that from the research conducted on RISE with SAP in 2024 which found that a significant proportion of respondents were changing their opinion about using RISE with SAP in order to access generative AI capabilities. While not yet a majority, four in ten (42%) respondents reported changing their thinking about RISE with SAP because of generative AI, a threefold increase from 2023. If this trend continues in 2025, RISE with SAP will be one of the biggest factors driving SAP S/4HANA adoption.



## Barriers to Adoption

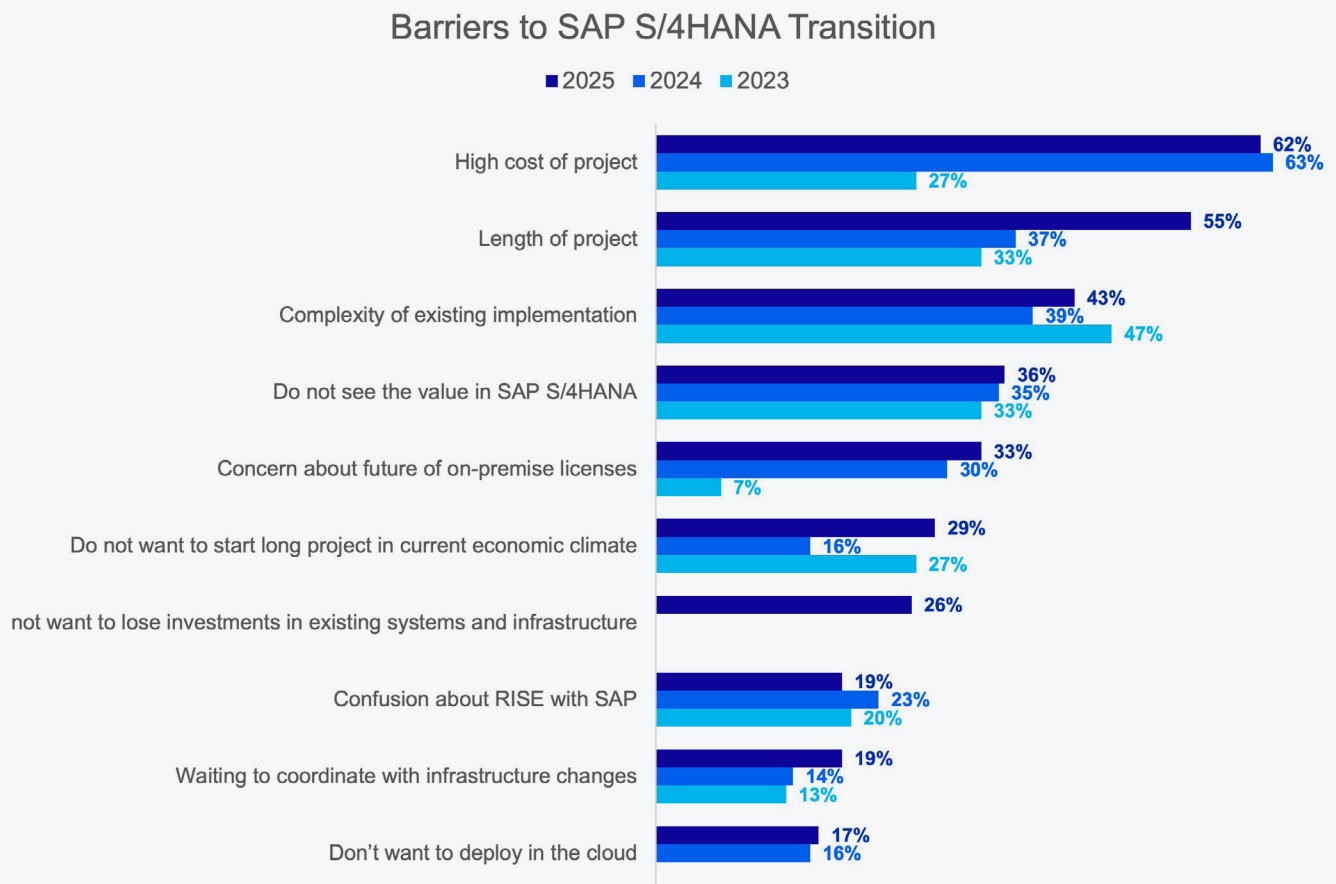
The research findings highlight concerns among organizations regarding SAP S/4HANA migration strategies. Cost remains the primary barrier as 62% of organizations cite high project costs as a key challenge, a concern that is particularly strong when considering RISE with SAP. This indicates that despite growing awareness of the benefits of SAP S/4HANA, cost constraints continue to be a major roadblock and that organizations may be struggling with budget allocations or waiting for more cost-effective migration strategies. There are also increased concerns about the project length as 55% cite project duration as a major concern, a significant increase from 37% in 2024. With organizations making progress in their assessment of SAP

S/4HANA, the realization of extended migration timelines is becoming a more pressing challenge as the complexity of phased transitions, custom code refactoring, and business process reengineering increases. (Figure 4)

Additionally, 43% find their current SAP landscapes too complex to migrate, a number that is increasing as those still to move are more likely to be organizations with older and more complex deployments. This highlights the need for comprehensive pre-migration assessments, automation tools, and robust change management strategies. The reason could be attributed to organizations having heavily customized legacy systems, making a move to a standardized cloud or hybrid environment difficult.

A notable data point is related to the perceived value of SAP S/4HANA, something

FIGURE 4





identified by 36% of respondents as a factor preventing their move. This reinforces the notion that SAP, and their sales and implementation partners, need to better communicate the business benefits of SAP S/4HANA beyond just technical improvements. This includes laying out clearer roadmaps on ROI, efficiency gains, and competitive advantages to organizations. Moreover, concerns about the future of on-premise licenses rose from 30% to 33%, signaling hesitancy around SAP's long-term product roadmap. As SAP pushes cloud ERP and subscription-based licensing, organizations with long-standing on-premise infrastructures face uncertainty regarding long-term licensing models and support. With IT teams continuing to dominate SAP S/4HANA decision-making, these concerns become even more pronounced. IT leaders must evaluate the technical feasibility and security of cloud transitions, and they must work with business teams to ensure that the systems that are being implemented provide value to the business. The lack of clarity on SAP's on-premise licensing strategy adds complexity to their decision-making process, further delaying migration initiatives.

This year's survey also revealed the following trends:

- The two most important benefits recognized by organizations that have already moved to SAP S/4HANA are improved integrations with other SAP products, innovations, and LoB tools (53%), and improved performance compared to previous ERP systems (50%). A third benefit was improved end user and business satisfaction (40%).
- Nearly four in ten (38%) respondents reported that they planned on using SAP's generative AI co-pilot Joule in their SAP landscape, with another 34% saying that they planned on integrating AI with their applications through the SAP Business Technology Platform AI Foundation. A further 21% reported that they plan on using other publicly available AI services, with 9% taking a more customized approach. Only slightly more than a third (37%) said that they do not plan on using AI in their SAP landscape, demonstrating that SAP's AI messaging and approach continues to gain traction with their customers.
- The top three challenges faced by organizations that have already moved to SAP S/4HANA were adapting custom code and determining which customizations need to be included, integrating third-party applications with SAP S/4HANA, and cleansing data and improving quality the right way.



**"In staffing our SAP S/4HANA project we made sure that we used the correct team members from the business, IT, and our implementation partner. Using readily available SAP tools like data services made data preparation for the move much easier. There was a significant business involvement in data cleansing, reviewing the final data load, and sign-off prior to the final move of the production system to SAP S/4HANA. From a data preparation perspective, we made the conscious decision to leave unimportant data in the old system. These have become good candidates for data archiving, reducing the migration effort during the move to SAP S/4HANA."**

**INFRASTRUCTURE MANAGER,  
HEALTHCARE COMPANY**



## Required Actions

Based on the survey responses, organizations should consider the following when making their plans for SAP S/4HANA:

- **Calculate the cost of moving and not moving to SAP S/4HANA.** The end of mainstream maintenance is rapidly approaching, especially given the duration, complexity, and cost of a major ERP deployment. However, more than two thirds of the respondents to this research (69%) are not yet using SAP S/4HANA. While many are looking at the escalated costs of licensing SAP S/4HANA or RISE with SAP, running a major deployment, and completing significant business and process transformation, the cost of not moving to SAP S/4HANA can be just as significant. Organizations that have not moved to a supported ERP system by the end of 2027 will transition to extended maintenance in which the cost of maintenance increases by 2% of the maintenance base each year. Standard maintenance is typically from 17-22% of the maintenance base, so organizations could be paying as much as 24% of their original list price each year after transitioning to extended maintenance. Customer specific maintenance is even more expensive, will not provide patches or updates, and resolution of some issues will require a consulting fee from SAP. In addition, while most organizations have focused on the end of maintenance of solutions like SAP ECC, all SAP S/4HANA releases prior to SAP S/4HANA 2021 will end standard and extended maintenance in December 2025. In addition, the user right of compatibility packages will also expire this year. This may make not moving to SAP S/4HANA both a more expensive and complicated alternative than most organizations realize.
- **Educate teams on RISE with SAP and SAP Business Suite so that ERP planning can be effective.** More than one in ten (14%) respondents indicated that they are unfamiliar with RISE with SAP. Given that RISE with SAP is now part of a broader SAP Business Suite

that consists of SAP Business Technology Platform, the newly announced SAP Business Data Cloud, SAP SuccessFactors, SAP Concur, SAP Ariba, financial management and customer experience solutions, and Joule agents orchestrating business processes, it is vital to know as much as possible about SAP's offerings. Especially as SAP S/4HANA Cloud remains at the center of the solution landscape, organizations that are uninformed will be at a disadvantage when it comes to both planning and negotiations and will be unable to effectively evaluate what is best for them. Given that SAP is not deviating from its cloud ERP agenda, organizations must be well informed to plan from a position of strength.

- **Understand and plan for AI adoption and the role that it plays in SAP S/4HANA.** A year ago, the announcements that SAP had made regarding generative AI were having a minimal impact on the adoption of SAP S/4HANA. AI was one of the least important factors driving ERP and SAP S/4HANA planning, and it was having a minimal impact on the adoption of RISE with SAP and cloud ERP. In addition, customers at SAPinsider events wanted to see the business cases that would bring them value. A year on things have changed significantly. A majority (54%) of respondents now report that they plan to use AI capabilities in their SAP S/4HANA deployment. Only a third of organizations are not planning on using AI in their SAP landscape. And organizations are reevaluating their thinking on RISE with SAP based on access to generative AI. This makes having an enterprise strategy for AI usage and adoption vital for organizations that are planning for the future, and especially for those still on the fence about SAP S/4HANA. The only way organizations can access generative AI is in SAP S/4HANA Cloud, although that is available in both Public Edition and Private Edition. AI capabilities are available in SAP S/4HANA, but these are not connected to generative AI or Joule. This makes having an AI plan crucial in order to do effective ERP planning.



## SAP S/4HANA MIGRATION 2025



### DRIVERS

- End of maintenance and support for core SAP Business Suite applications (57%)
- The opportunity to re-engineer processes to better fit operational needs or correct poor processes or configurations from a previous ERP implementation (34%)
- Need updated systems and processes to support changing requirements (23%)
- Pressure to digitally transform existing ERP solutions to create a harmonized and centralized model and structure (22%)



### ACTIONS

- Modernizing or eliminating custom processes to streamline transition and provide more agility for future updates (43%)
- Adopting best practice business process models (36%)
- Modernizing reporting and business intelligence strategies to provide faster access to business insights (30%)



### REQUIREMENTS

- Minimal disruption to operations as they migrate to SAP S/4HANA (84%)
- Fully compliant ERP system that supports both global and local regulations (80%)
- Integrations between core ERP and line of business applications (78%)
- Cleansed and harmonized operational data across systems (76%)
- A partner with a proven track record implementing SAP S/4HANA (76%)



### TECHNOLOGIES

- SAP Readiness Check (50%)
- ETL Tools (43%)
- Integration tools and solutions (42%)
- SAP Business Technology Platform (38%)
- Change management solutions (37%)
- Automated testing tools (28%)
- Data cleansing tools (28%)
- Process Discovery for SAP S/4HANA Transformation (26%)
- Open source technologies (25%)
- Tools for ERP Business Process Modeling (BPM) (19%)
- SAP BTP ABAP Environment (19%)
- Clean Core setup and analysis (17%)
- Custom Code Lifecycle Management (14%)



# APPENDIX

# THE DART™ METHODOLOGY

SAPinsider has rewritten the rules of research to provide actionable deliverables from its fact-based approach. The DART methodology serves as the very foundation on which SAPinsider educates end users to act, creates market awareness, drives demand, empowers sales forces, and validates return on investments. It is no wonder that organizations worldwide turn to SAPinsider for research with results.

## The DART methodology provides practical insights, including:

<b>DRIVERS</b>	These are macro-level events that are affecting an organization. They can be both external and internal, and they require the implementation of strategic plans, people, processes, and systems.
<b>ACTIONS</b>	These are strategies that companies can implement to address the effects of drivers on the business. These are the integration of people, processes, and technology. These should be business-based actions first, but they should fully leverage technology-enabled solutions to be relevant for our focus.
<b>REQUIREMENTS</b>	These are business and process-level requirements that support the strategies. These tend to be end-to-end for a business process.
<b>TECHNOLOGY</b>	These are technology and systems-related requirements that enable the business requirements and support the company's overall strategies. The requirements must consider the current technology architecture and provide for the adoption of new and innovative technology-enabled capabilities.



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