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RESEARCH REPORT

Global E-Invoicing Management in SAP S/4HANA Migrations

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This Report explores how leading enterprises are addressing the challenges of global e-invoicing as part of SAP S/4HANA migrations.

E-Invoicing projects are complex. Organizations are feeling pressure from a lot of different directions: country mandates are continuously changing, businesses are expanding to new regions requiring the adoption of local mandates, and new selling modalities like usage-based pricing are just a few examples of factors adding to the complexity of projects. At the same time, regulatory scrutiny is heightening the need for real-time invoice accuracy and compliance. In this year's study respondents share that the complexity of these projects is defining how organizations make E-Invoicing deployment and SAP S/4HANA project integration choices. Although large numbers of respondents are at the tail end of SAP S/4HANA deployments, E-Invoicing deployment approaches are largely yet to be determined (24%). For those that have defined their approach third-party solutions (20%) and SAP DRC (17%) are leading in preference.

Enterprise-size organizations that have no strategy or plan for E-Invoicing and a completed SAP S/4HANA project implementation or migration are an area of caution highlighted throughout this report. Enterprise organizations disconnecting E-Invoicing projects from overall SAP S/4HANA migrations can easily find themselves with implementation, compliance, and reporting issues in the future. Across the board, organizations are realizing value in aligning E-Invoicing projects with SAP S/4HANA migrations resulting in improved end-to-end process integration (60%), accelerated compliance with new regulations (46%), and better scalability for new countries and requirements.

Project Alignment is Fragmented

SAP S/4HANA Migration Completions are High

As SAP's 2027 maintenance deadline for ECC looms, respondents are preparing their technology environments. Most respondents (63%) indicate they have completed or are amidst executing SAP S/4HANA migrations that will complete within 12 months **(FIGURE 1)**. Over a third of survey respondents (35%) have fully completed their migration to SAP S/4HANA and 20% are currently in deployment. Another 19% are moving within two years on target to meet the 2027 deadline.

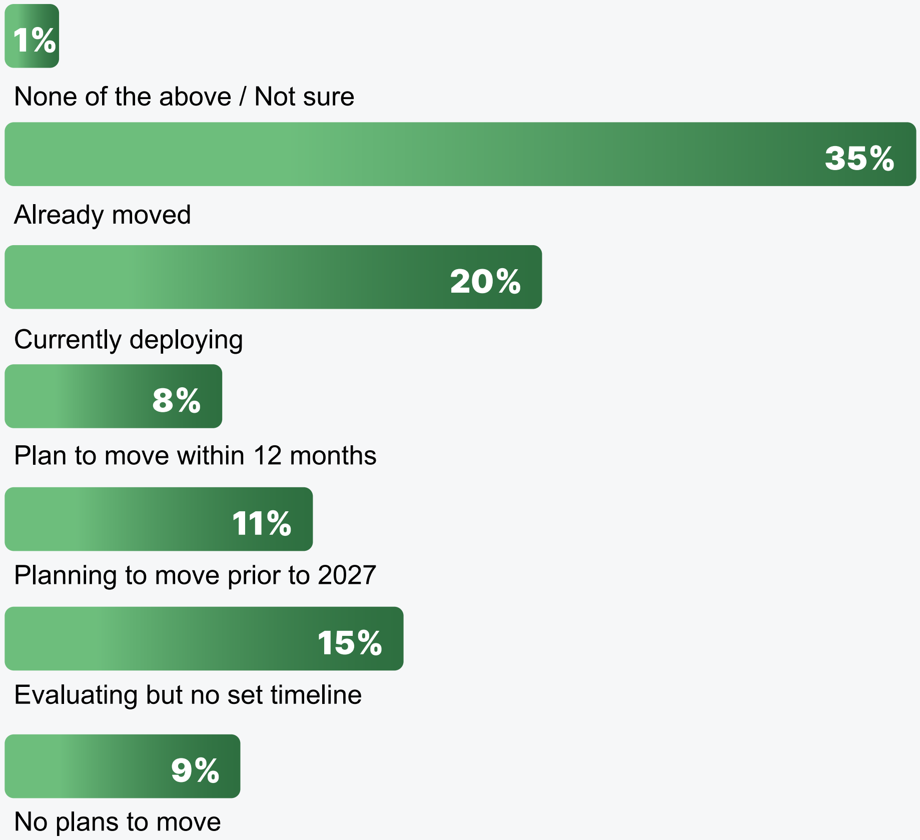
Pressure to move is still prominent, even with the extended maintenance offered to customers by SAP through December 31, 2030. Enterprise SAP S/4HANA migration projects can last two years or longer. Those evaluating, but without a set timeline (15%) or planning to move prior to 2027 (11%) are behind. RISE with SAP for existing users moving to the cloud includes migration tools, and GROW with SAP offers small and midsize organizations a pre-configured approach supporting moves to SAP S/4HANA Public Cloud

63%

SAP S/4HANA Migration Complete Within 12 Months.

FIGURE 1

SAP S/4HANA Adoption Status



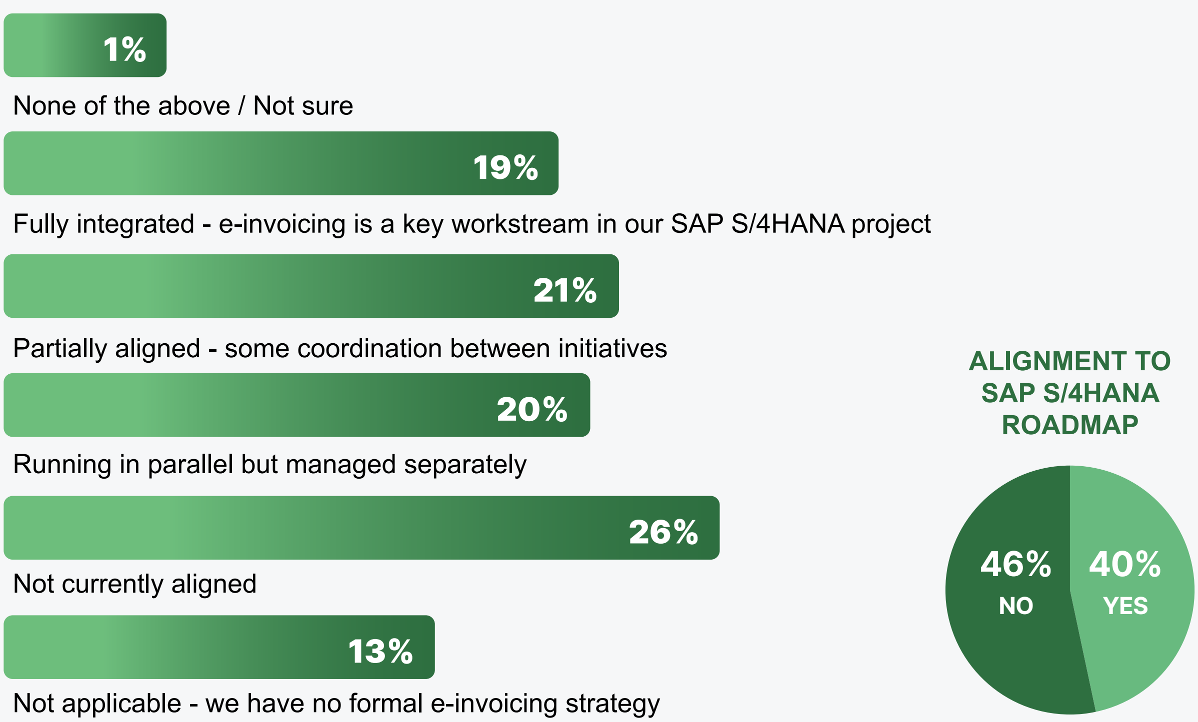
Edition. These programs offer ways to accelerate implementation for those pushing it out and/or opting for the extended maintenance. Also keep in mind that the modernized ERP, data, and business performance capabilities native to and integrated with SAP S/4HANA will continue to grow, while older technologies progress to end-of-life.

The more rapid advancement toward migration completion is a trend line that matches findings in the Deployment Approaches to SAP S/4HANA Report by Robert Holland (see side panel for report) in which "55% reported that they plan to complete their move to SAP S/4HANA as quickly as possible rather than as part of a broader transition." Adoption patterns are still impacted by "a customer's technical readiness, system complexity, business priorities and strategic vision," as Robert Holland and Suparna Chawla point out in the SAP S/4HANA Migration 2025 Report. However, SAP ECC and older systems lack the native capabilities to support E-Invoicing. We perceive E-Invoicing complexity and challenges as driving the accelerated adoption by this year's survey respondents.

E-Invoicing Alignment to SAP S/4HANA Roadmaps is Split

A greater number of respondents (46%) **(FIGURE 2)** indicate E-Invoicing projects are not aligned with SAP S/4HANA roadmaps, either running in parallel, but managed separately (20%) or not currently aligned (26%). Respondents are closely divided; nearly as many have aligned projects (40%). In a close split, they have either partially integrated (21%) or fully integrated (19%) E-Invoicing as a core SAP S/4HANA migration workstream. This division is evidence of the fluidity and complexity of these projects.

SAP S/4HANA Roadmap Alignment



Step Into Roadmap Alignment

Evaluate the context of your organization's projects considering their complexity and the minimal visibility into mandate changes in the future. Also think strategically about the opportunity cost associated with the decision. Ensure building the flexibility needed to navigate competitive pressures, new business models, and expansion to new countries, as market dynamics continue to change. The lack of core alignment can present challenges for organizations faced with adopting existing and future mandates in countries such as France (i.e., B2B, B2C, and E-Reporting required by September of 2026) and Germany (i.e., mandatory as of January 2027). Taking a linear approach to the projects anchors the organization to an extended timeline. This can be limiting when market dynamics shift, and the organization needs to modify strategy quickly.

For those that have completed SAP S/4HANA migration, the native SAP Document and Reporting Compliance (DRC) capabilities support digital archiving, workflow, and native E-Invoicing and statutory reporting in over 35 countries. Any organization with in-flight E-Invoicing projects will want to ensure there is clarity about exposure to existing or upcoming E-Invoicing mandates (e.g., companies in France). If projects are in flight and running separately from the SAP S/4HANA migration, create a formalized project connection point at a minimum.

Organizations that are in the planning stage of SAP S/4HANA migrations have time to fully integrate E-Invoicing into projects. This is ideal for global organizations with high volumes of transactions operating in multiple global jurisdictions impacted by E-Invoicing mandates (e.g., Retail, E-commerce, Travel, Transportation, Media). An integrated project approach is also critical for organizations that have in place, are deploying, or transitioning to, usage-based subscriptions where dynamic pricing, metered usage, and tiered rates are in play and tax must be accurately determined and applied in real-time.

INSIDER
PERSPECTIVE

"Taking a linear approach extends timelines. There is an opportunity cost to aligning E-Invoicing with SAP S/4HANA migrations that often gets forgotten."

STEVE SPRAGUE
CHIEF STRATEGY OFFICER
SOVOS

Projects are Multifaceted

E-Invoicing is Highly Complex

E-Invoicing is fraught with complexity. Prioritizing cross-functional collaboration early in remaining projects will ensure that tax requirements are considered early. This provides time to identify gaps and design a solution that takes into consideration the organization's need for meeting mandates today and the flexibility for addressing what is unknown in the future. When working with SAP and/or certified third parties, investigate how the approach recommended mitigates or eliminates common E-Invoicing challenges. Arising during SAP S/4HANA migrations in multinational environments respondents cite configuring country-specific requirements in SAP S/4HANA (51%), balancing global templates with local needs (50%), ensuring data quality (41%), and integrating third-party tax engines (39%).

E-Invoicing projects are connected broadly to the cross-functional operations of the organization, in addition to being complex like SAP S/4HANA migration and implementation projects. Their impact affects everything from financial accounting and tax to customer experience. Project delays or failures raise risk exposure, increase audit vulnerabilities, and can compel the business to pay fines and penalties that cause reputational damage. Evaluate exiting business circumstances, staffing, and internal capabilities. Lean into advisory firm relationships (e.g., DMA, EY, KPMG, Deloitte, PwC, RSM, Grant Thornton) to take advantage of their extensive knowledge for guidance. Get third-party support with migrations and implementations to ensure capturing the benefit of their wide experience with other organizations.

Evaluate both native and third-party solutions (e.g., Sovos, Avalara, Vertex, Thomson Reuters). Third-party E-Invoicing technology providers have specialized expertise in localization, near- and real-time monitoring of regulatory changes, and advanced workflow automation. Their platforms are deeply integrated with SAP S/4HANA and have native agentic and generative AI capabilities to increase invoice accuracy and automate matching. They enable real-time compliance with tax rules worldwide and offer dashboards and analytics for visibility across the E-Invoicing operational workflow. Solution consulting teams are often former practitioners with first-hand experience in tax, finance, IT, and governance across sectors. This hones their ability to guide organizations through the nuances of industry-specific E-Invoicing projects to ensure they stay on track.

E-Invoicing is Complex, Call the Experts

Advisory Firms	E-Invoicing & Tax Technology Companies
• Broad & Deep Regulatory Knowledge	• Specialized Localization Capabilities
• In-Source, Outsource, Co-Source Models	• AI and Automation Drive Workflows
• Governance Control & Workflow Benchmarking	• Real-Time Monitoring of Regulatory Changes
• Industry-Specific Implementation Expertise	• Industry-Specific Implementation Expertise
• Current Practitioners	• Former Practitioners Implementing
Shared Service Deployments	

Tax is Engaging Early

Good news: 55% of respondents are engaging tax teams during the preliminary stages of SAP S/4HANA migrations, underlying the importance of E-Invoicing and other Tax related regulatory oversight in implementation and migration projects. Another 30% are not involving Tax at all or until after go-live. For respondents that have completed implementation and/or are in the final stages, not involving tax teams (21%) this could lead to compliance gaps, rework, or missed opportunities for efficiencies that come when embedding E-invoicing requirements into SAP S/4HANA project design.

55%

Tax teams are engaging in preliminary stages of SAP S/4HANA migrations.

Budgets are Undetermined

E-Invoicing budgets are undetermined for many respondents this year. Over half of the respondents (51%) have yet to determine their budget for E-Invoicing. Some indicate E-Invoicing is a blind spot in their SAP S/HANA migration planning and that there is room to improve cross-functional coordination. Nearly 20% of respondents stated they spent more on E-Invoicing projects than expected. Underestimating the complexity of projects can lead to unanticipated integration requirements, localization issues, and unaccounted for third-party costs.

51%

Yet to determine budget for E-Invoicing.

Implementation Strategies are Diverse

E-Invoicing Implementation Approaches Vary

Managing E-Invoicing requires flexibility and organizations are utilizing a variety of implementation approaches to accommodate growing E-Invoicing mandates. They include third party solutions (19%) a top preference, hybrid (16%), and SAP Document Reporting Compliance (DRC) adoption (17%). However, the greatest number of respondents (24%) are undecided on their approach. This can indicate that they are delaying decisions until after the SAP S/4HANA migration. Moreover, respondents are still challenged when managing E-Invoicing requirements within the SAP S/4HANA journey. Challenges include:

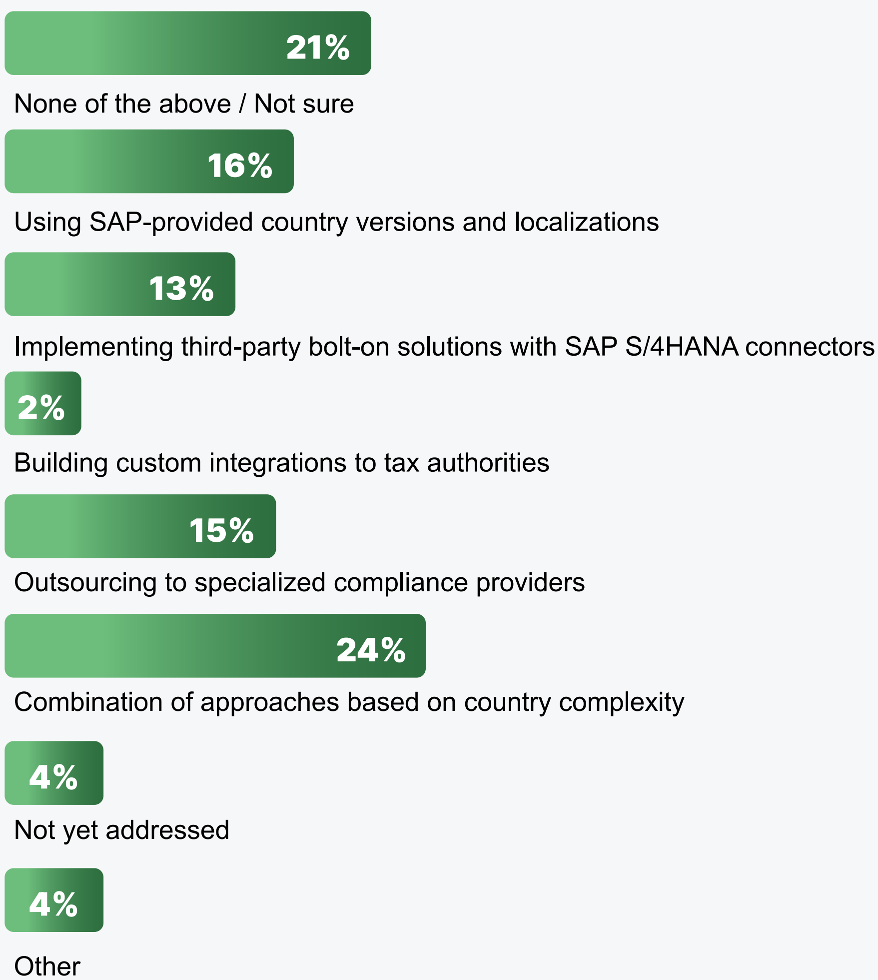
- Configuring country-specific requirements in SAP S/4HANA (51%),
- Balancing global templates with local requirements (50%),
- Ensuring data quality across reimagined processes (41%), and
- Integrating with third-party tax engines with SAP S/4HANA (39%).

Complexity Drives How to Meet Country-Specific Requirements

Complexity of meeting country requirements is driving a combination of SAP S/4HANA and E-Invoice project integration approaches (24%) **(FIGURE 3)**. SAP-provided country versions and localizations are also being used (16%). This approach may require additional support for regions like Latin America where real-time clearance models apply, and Asia-Pacific where mandates have been rapidly rolled out. A sizable number of respondents are still unsure about their integration path (21%). The moderate number of respondents outsourcing to specialized compliance providers (15%) and a low level of customer integrations to tax authorities (2%) suggests that respondents are seeking third-party vendors with standardized technology solutions that can automate E-Invoicing or native document management capabilities within SAP preconfigured to address requirements.

FIGURE 3

Complexity Drives How to Meet Country Requirements



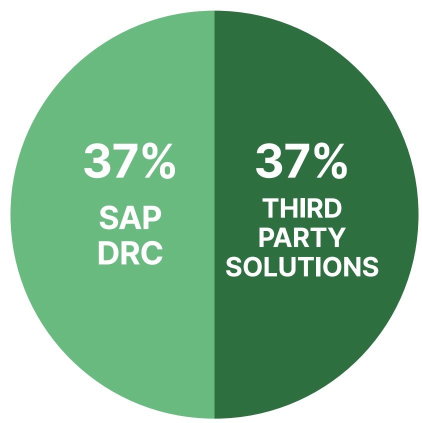
Prioritize Country-Specific Compliance & Integration

When native SAP solutions are selected as the approach to E-invoice implementations, respondents continue to articulate the need for simplified ways of dealing with the growing complexity of global mandates. Most are seeking solutions that ensure country-specific compliance packages (66%) and seamless integration with core financial processes (62%). Additionally, ROI on SAP solutions is also important as respondents look to future-proof from regulatory changes (57%). Speaking straight to the critical impact E-Invoicing systems and processes can have on the business, respondents expect projects to have minimal impact on performance (32%) and compliance during a transition (29%). Unified dashboards (22%) were also mentioned, which suggests that current reporting approaches for managing E-Invoicing are either segregated, manual, or both. It can also be evidence suggesting E-Invoicing practices are siloed.

E-Invoicing Adoption Trends

Adoption Split Between Native and Third-Party Solutions

There is a clear preference split between utilizing SAP Document and Reporting Compliance (DRC) for E-Invoicing (37%) and third-party solutions (37%). This bifurcation suggests that organizations are selecting approach based on a variety of factors including regional specialization and vendor relationships. The presence of SAP Ariba Network for compliant invoicing (13%) and SAP Business Network integration (13%), reflects the B2B reach E-Invoicing has in procurement-heavy organizations like manufacturing and automotive industries.



Low SAP S/4HANA Capabilities Adoption

Native SAP S/4HANA capabilities are not the first choice (43%) for most respondents when managing the complexity of E-Invoicing requirements. This can indicate respondents prefer third-party solutions (e.g., for highly regulated industries like finance and energy) or that there is lack of awareness about the SAP-native E-Invoicing capabilities. A small segment connects directly to tax authorities (23%) and integrates with a document management system (20%). Adoption of other SAP S/4HANA capabilities is even more distributed such as Fiori apps (11%), embedded analytics (11%), advanced data extraction (10%), Universal Journal (9%), and advanced document splitting for tax determination (3%). These native capabilities when implemented during migration can simplify compliance, improve invoice accuracy, create visibility, and help organizations stay audit ready.

Master Data Management Under Evaluation

A sizable number of respondents are still evaluating the impact of SAP S/4HANA transformations on their approach to master data management for tax and E-Invoicing (38%). Clean, structured master data is critical to E-invoicing compliance. The low adoption of centralized governance and validation rules (10%) indicates possible gaps in data quality that can impact audit readiness. Master data management strategies focused on VAT IDs, invoice classifications, and jurisdictional codes are high priorities. Our perception of the widespread approaches to master data management practices is that they are significantly influenced by existing practices in addition to new governance requirements. For this reason, responses vary, from experiencing no significant changes to approach (20%), to the need for a complete redesign (13%). Organizations in SAP environments can consider SAP Data Intelligence to connect, clean, and transform data. This creates a foundation for forecasting and detecting anomalies when using SAP Analytics Cloud (SAC) or SAP Business Technology Platform (BTP) for developing predictive models.

INSIDER PERSPECTIVE

"Master data management strategy is critical to E-Invoicing projects, especially related to VAT IDs, invoice classifications, and jurisdiction codes."

ANGELO TORRES
VICE PRESIDENT & GLOBAL VAT PRACTICE LEADER
DUCHARME, MCMILLEN & ASSOCIATES, INC.

Archiving Approaches are Undecided

Archiving for E-Invoicing is a work in progress (35%) leaving respondents in SAP S/4HANA environments undecided. Preferences for hybrid (18%) and third-party archiving (15%) reflect the diverse approaches being taken to meet the variety of requirements across jurisdictions for retention, format, and reporting. Third-party providers offer regional specialization, as well as implementation breadth and depth across industries. SAP Document Reporting and Compliance (DRC) can be extended with SAP S/4HANA for Advanced Compliance Reporting (ACR) for highly regulated industries with more stringent document retention requirements.

AI and Tax Automation Gap

There is either a gap in awareness or readiness for using AI in E-Invoicing, or a preference for using third-party solutions with embedded AI. Respondents are either interested and have no concrete plans (39%) or have no plans (34%) to use AI in E-Invoicing. Still, AI plays a critical role in E-Invoicing success. Embedded analytics, predictive modeling, and anomaly detection have strong applications for E-Invoicing (e.g., detection of missing tax codes, invoice validation). AI can offload manual work and give tax professionals more time for strategic analysis. In SAP DRC and in third-party solutions, AI can be used to detect anomalies, automate error classification, and predict submission failures. AI in analytics can be used to minimize compliance risks and recommend governance actions. The complexity of E-Invoicing projects makes AI and automation a point of parity. Those that do not embed both in the process will fall behind and escalate compliance risks in their organizations.

AI = Time for Strategic Analysis	73% No Plans for AI in E-Invoicing	No AI = Compliance Risk & Inefficiency

KEY TAKEAWAYS

Integrating E-Invoicing Projects with SAP S/4HANA Migrations Pays Off

Integrating E-Invoicing projects with SAP S/4HANA migrations has a high payoff quotient. Across the board respondents see value in aligning E-Invoicing with SAP S/4HANA implementations and migrations. Integrating the projects reduces manual effort and eliminates E-Invoicing silos, and 60% of respondents saw improved end-to-end process integration. They accelerated compliance with regulations (46%) which is imperative in critical regions like Brazil that have fast-evolving mandates. Many also saw better scalability (44%), ensuring expansion into new markets without having to reengineer systems. Additional value can be captured in improved data quality for tax reporting (35%), reduced total cost of ownership for tax compliance (29%), and reduced audit exposure (27%).

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