Now Is the Time for Transformative ERP Migration

Leading consumer products companies are transitioning to S/4HANA, SAP's newest cloud-based platform for enterprise resource planning. When—and how—should you start your own journey?

By Florian Braun, Skylar Shephard, and Markus Puttlitz

The Great ERP Migration Is Underway

As SAP prepares to end support for its ECC6 ERP system by 2027, many CPG companies face a potentially disruptive migration. We can help.

What level of upgrade is right?

S/4HANA transformations are a continuum, ranging from a purely technical upgrade to a full overhaul of your company's ways of working.

The transition presents risks—and opportunities

Executives have plenty of reasons to fear such a complex, fundamental, and potentially costly change—but the benefits make the transition worthwhile.

ERP transformations impact a range of stakeholders who will push for quicker, cheaper options.

Risks

- Complexity
- Computing disruption
- User experience
- Operational hazards
- Artificial intelligence

Opportunities

- Technical enhancements
- User experience
- Operational efficiency
- Artificial intelligence

By thinking strategically, leaders can seize the risks and unlock the opportunity to radically optimize ways of working.

How leaders succeed

- Define the vision: articulate goals, define scope, and build a roadmap for a successful migration.
- Identify funding: engage CFOs early to ensure the right budget and timeline.
- Get the buy-in: ensure that stakeholders—internal and external—are on board.
- Establish processes: set up the right team and processes to manage the transition.
- Defend the standard: build a culture focused on compliance, mandate use of standard tools and processes.

Technical upgrade

- 1.5 years min.
- Suitable for smaller CPGs with already optimized processes
- 10%–30% lower cost
- Low complexity and minimal customization in place
- Limited direct business value
- Technical upgrade

Business-focused redesign

- 3 years
- Suitable for large CPGs aiming to optimize processes
- Significant ROI, fostering innovation and growth
- High degree of existing complexity (e.g., multiple ERPs, heavy customization)
- Longer duration

The share of SAP customers using the platform

- By 2025, 80% of companies are expected to make the switch
- More than 25% of companies have begun their move to the S/4HANA platform

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